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No. 90-1912

# In the Supreme Court of the United States

October Term, 1991

STEPHANIE NORDLINGER,

*Petitioner,*

v.

KENNETH HAHN, in his capacity as Tax Assessor  
for Los Angeles County, and the COUNTY OF LOS  
ANGELES,*Respondents.*ON WRIT OF CERTIORARI TO THE  
COURT OF APPEAL OF THE STATE OF CALIFORNIA

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## JOINT APPENDIX

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Petition for Certiorari Filed May 28, 1991  
Certiorari Granted October 7, 1991

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ON WRIT OF CERTIORARI TO THE  
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**JOINT APPENDIX**

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Petition for Certiorari Filed May 28, 1991  
Certiorari Granted October 7, 1991

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**RELEVANT DOCKET ENTRIES****DOCUMENT TITLE**

Amended Complaint for Declaratory Relief Pursuant to California Revenue and Taxation Code § 4808 and for Refund of Property Taxes, filed October 25, 1989

Notice of Hearing of General Demurrer; General Demurrer of John J. Lynch to Plaintiff's Amended Complaint; Memorandum of Points and Authorities in Support Thereof, filed November 16, 1989

Memorandum of Points and Authorities in Opposition to General Demurrer of Defendant John J. Lynch to Plaintiff's Amended Complaint; Declarations and Exhibits, including Proposed Second Amended Complaint, filed January 22, 1990

Minute Order sustaining respondents' demurrer, entered January 29, 1990

Order of Dismissal, filed February 23, 1990

Notice of Appeal, filed February 28, 1990

Opinion of the Court of Appeal for the State of California, Second Appellate District, Division 3, affirming order of the Superior Court of Los Angeles County, filed December 3, 1990

Petition for Review, filed January 14, 1991

Notice of California Supreme Court denial of petition for review, filed February 28, 1991

**SUPERIOR COURT OF THE STATE OF CALIFORNIA  
FOR THE COUNTY OF LOS ANGELES**

[Attorney Names and Addresses  
Omitted in Printing]

[ORIGINAL FILED  
October 25, 1989  
COUNTY CLERK]

STEPHANIE	)	Civil No. C738781
NORDLINGER,	)	AMENDED COMPLAINT
an individual,	)	FOR DECLARATORY
Plaintiff,	)	RELIEF PURSUANT
v.	)	TO CALIFORNIA
JOHN J. LYNCH, in his	)	REVENUE & TAXATION
capacity as Tax Assessor	)	CODE § 4808 AND
for Los Angeles County,	)	FOR REFUND OF
and LOS ANGELES	)	PROPERTY TAXES
COUNTY	)	
Defendants.	)	

Plaintiff alleges:

**INTRODUCTION**

1. This is an action challenging the constitutionality of Article XIII A of the California Constitution. Plaintiff is (a) seeking a judgment under section 4808 of the Revenue and Taxation Code declaring that the provisions of Article XIII A of the California Constitution, which result in owners of similarly situated real properties being subject to widely disparate real property taxes violate the equal protection guarantees of the state and federal constitutions; and (b) seeking a refund of property taxes unlawfully collected from plaintiff pursuant to Article XIII A.

2. Before 1978, California law mandated the use of a scheme used in many jurisdictions for assessing and taxing real property. It required that real property be reassessed annually so that it could be taxed according to its current fair market value. As a result, owners of similarly situated properties paid approximately the same amount of ad valorem real property taxes.

3. In 1978, Article XIII A (popularly called Proposition 13) was added by initiative to the California Constitution. Article XIII A limits the maximum ad valorem tax rate on real property to 1% of its "full cash value." Article XIII A defines full cash value in one of two ways: for individuals who have owned the same property continuously since 1975, "full cash value" equals the assessed value of the property as of the 1975-76 tax year. For those who purchase, newly construct or otherwise acquire property after the 1975-76 tax year, "full cash value" equals the property's fair market value when purchased, newly constructed, or when a change in ownership occurs. Article XIII A also provides that the "full cash value base" may reflect "from year to year" an inflationary rate not to exceed 2%.

4. Because property values have risen much more rapidly than 2% a year since Article XIII A was adopted, the provisions of Article XIII A which freeze a person's property tax according to the date the property was acquired or newly constructed establish a system which invidiously and routinely discriminates against recent property owners in favor of longtime property owners. Such a discriminatory system has been labeled a "welcome stranger" system because longtime property owners who had the capacity to own and hold property at an earlier date enjoy low property taxes while newcomers to the same neighborhood are taxed at much higher levels.

5. On September 22, 1978 in *Amador Valley Joint Union High School District v. State Board of Equalization*, 22 Cal.3rd 208 (1978), the California Supreme Court upheld Article XIII A against a "facial" challenge that it violated constitutional equal protection guarantees. No evidence of actual disparate tax treatment for owners of similarly situated properties was presented to the Court, and the decision was not appealed to the United States Supreme Court. Since this decision, several California courts have upheld Article XIII A against other equal protection challenges.

6. On January 18, 1989, in *Allegheny Pittsburgh Coal Company v. County Commission of Webster County, West Virginia*, 109 S.Ct. 633 (1989), the United States Supreme Court invalidated a tax assessment system which used a "welcome stranger" provision similar to that contained in Article XIII A. Under the challenged scheme, a property was generally reassessed only when that property was sold. Because this West Virginia assessment system resulted in the owners of similarly situated properties paying widely divergent tax bills, the Court concluded that it violated the Equal Protection Clause of the 14th Amendment to the United States Constitution.

7. The discriminatory impact of the unlawful Webster County, West Virginia system is indistinguishable from that of Article XIII A's "welcome stranger" provision as applied in 1989, and this new Supreme Court case provides compelling authority that Article XIII A's tax assessment system as applied in 1989 is unconstitutional.

8. Proposition 13 prescribes how the defendant and all other California county tax assessors may value real property and prohibits the defendant assessor from assigning a value to plaintiff's property that corresponds with the assessed values of comparable properties. Unless

those provisions of Proposition 13 which result in discriminatory assessments are declared to be unlawful, plaintiff's property and all other real property in Los Angeles County and the State of California will continue to be assessed in a manner that violates state and federal constitutional equal protection guarantees.

### PARTIES

9. Plaintiff Stephanie Nordlinger owns and resides in the home located at 3933 S. Sycamore Avenue in the City of Los Angeles in Los Angeles County.

10. Defendant John J. Lynch is the tax assessor for Los Angeles County.

11. Defendant Los Angeles County is a political subdivision of the State of California.

### TAX ASSESSMENT OF 3933 S. SYCAMORE

12. On November 1, 1988, plaintiff purchased the house and lot located in the "Baldwin Hills" neighborhood at 3933 S. Sycamore Avenue in Los Angeles County, for \$170,000. This property is described by the Los Angeles County Assessor's office as Tract No. 13372, Lot 110. Before her purchase of 3933 S. Sycamore, plaintiff had never owned real property in the State of California. Consequently, she had never been assessed any real property taxes nor had she paid any real property taxes.

13. Plaintiff's property is part of a tract of single family homes developed and built in 1947 by the Baldwin Hills Development Company. Today, the neighborhood still consists of moderately priced single family homes. While some residents have owned their homes for twenty years or more, many Baldwin Hills residents, like plaintiff, are newcomers.



14. Plaintiff's lot at 3933 S. Sycamore is 8200 square feet, and her house contains 1114 square feet. Her house contains three bedrooms and one bathroom. Plaintiff's house has not been enlarged since it was built, but a 14 by 18 foot storage room was added to the back of the garage in 1966. This addition was assessed at \$750 at that time.

15. The previous owners of 3933 S. Sycamore were Nancy and Derek Smith who purchased the property in 1986 for \$121,500. Under Article XIII A's provisions while the Smiths owned the property its "current assessed value" was based on the Smiths \$121,500 purchase price plus the 2% inflation adjustment.

16. The Smiths' 1988-89 tax bill for 3933 S. Sycamore included a "General Tax Levy" of \$1,264.08 (1% of \$121,500 plus an inflation adjustment for two years of \$4,908). The tax bill also included \$48.26 in "Voted Indebtedness" and \$71.12 in "Direct Assessments" for a total yearly real property tax bill of \$1,383.46 due in two installments of \$691.73.

17. When plaintiff purchased 3933 S. Sycamore from the Smiths, the real estate taxes for the first half of fiscal year 1988-89 (July through December of 1988) were prorated between plaintiff and the Smiths and were paid when the property was transferred.

18. In February of 1989, plaintiff received a Joint Consolidated Duplicate Tax bill from the Los Angeles County Tax Collector which listed the second installment of the 1988-89 fiscal year taxes on 3933 S. Sycamore at \$691.73. That bill continued to show the "current assessed value" and "taxable value" of the property based on the Smiths' 1986 purchase price of \$121,500 plus the 2% inflation adjustment.

19. In February or early March of 1989, plaintiff received a Notice of Assessed Value Change from the Los Angeles County Tax Assessor. Pursuant to Article XIII A's "welcome stranger" provision, because the property had changed hands, it had been reassessed to \$170,100. This increase of \$43,692 represented the difference between the \$170,000 price plaintiff paid for the property and the \$121,500 price paid for it by the prior owners plus the 2% annual inflation adjustment (plus an billing error of \$100).

20. In March of 1989, plaintiff received a Joint Consolidated Supplemental Tax bill for 3933 S. Sycamore from the Los Angeles County Tax Collector which reflected the reassessment of plaintiff's property mandated by Article XIII A's "welcome stranger" provision. The bill informed plaintiff that the annual tax total had been increased by \$453.60 (\$436.92 general tax levy and \$16.68 voted indebtedness). Because plaintiff had owned the property for only part of the 1988-89 fiscal year, the supplemental tax was prorated. The additional \$263.08 plaintiff was billed brought the general tax levy on 3933 S. Sycamore up to \$1,701 on an annualized basis. The bill stated that "This supplemental assessment is in compliance with Article XIII A of the California Constitution. It reflects the increase in your property taxes due to change in ownership occurring 11-01-88."

21. The first installment of this supplemental tax bill was due on April 30, 1989. The second installment was due August 31, 1989.

22. On April 10, 1989, plaintiff paid "under protest" the Joint Consolidated Tax bill of \$691.73 for the second installment of the 1988-89 taxes (based on the tax which would have been owed by the Smiths). At that time



plaintiff filed a verified Application for Reduction of Assessment with the County of Los Angeles Assessment Appeals Board appealing both the assessment reflected in the February Joint Consolidated Duplicate Tax bill and that reflected in the March Joint Consolidated Supplemental Tax bill. The principal ground cited by plaintiff for the Application for Reduction of Assessment was that the assessment violates the equal protection guarantees of the United States and California Constitutions. A copy of the Verified Application for Reduction of Assessment is attached as Exhibit A.

23. As indicated on the verified Application for Reduction of Assessment, the fair assessed value of plaintiff's property, taking into account the assessment of comparable properties in plaintiff's neighborhood, is \$30,000. Based on such an assessment, plaintiff's general tax levy for the tax year 1988-89 would have been \$300. Because plaintiff owned the property for only 8 months of that tax year, her tax bill based on such a general tax levy would have been \$200. Instead, plaintiff paid \$1096.05 in general tax levy taxes (\$842.64 based on the Joint Consolidated Tax bill for the entire year plus \$253.41 based on the Joint Consolidated Supplemental tax bill for 1988-89).

24. On April 28, 1989, plaintiff paid "under protest" the first installment of the Joint Consolidated Supplemental Tax bill (representing the additional tax owed because her purchase price for 3933 S. Sycamore exceeded the purchase price paid by the Smiths) and on August 28, 1989, plaintiff paid "under protest" the second installment of the Joint Consolidated Supplemental Tax bill.

25. On July 17, 1989, a hearing officer for the Los Angeles County Board of Assessment Appeals denied

plaintiff's Application for Reduction of Assessment and granted plaintiff's request that she be permitted to amend her verified Application for Reduction of Assessment to show that it was also a Claim for Refund.

26. On October 25, 1989, the Los Angeles County Board of Assessment Appeals denied plaintiff's Application for Reduction of Assessment and Claim for Refund.

27. No refund of the taxes paid by plaintiff, or any part thereof has been made to plaintiff or to anyone acting on her behalf.

#### **UNEQUAL ASSESSMENT AND TREATMENT OF SIMILARLY SITUATED PROPERTIES**

28. The 3800 and 3900 blocks of S. Sycamore Avenue contain 34 homes in addition to plaintiff's. The lot sizes for these 34 homes range from 7,600 to 10,400 square feet, and the size of the houses ranges from 1114 square feet (like plaintiff's house) to 2742 square feet. Most of these houses, like 3933 S. Sycamore, retain the uniform character of the original 1947 tract development.

29. Information contained in the files of the Los Angeles County Tax Assessor indicates that, pursuant to Proposition 13's "welcome stranger" assessment provision, gross disparities exist in the assessed value of these generally comparable properties. These gross disparities discriminate against plaintiff as a newcomer to the neighborhood. For example:

- a. A three bedroom, one bathroom single family house one block from the plaintiff's house is on a lot which is 900 square feet larger than plaintiff's lot, while the house contains square footage precisely equal to plaintiff's. It is assessed at \$35,820 based on its 1975 valuation. As a result, plaintiff's

neighbor, who lives in that house on property substantially similar to (but larger than) plaintiff's, is subject to a general tax levy of only \$358.20. In contrast, the general tax levy assigned to plaintiff's property (\$1,701) is almost five times higher; and

b. Another three bedroom, one bathroom single family house in plaintiff's block on S. Sycamore is on a lot which is 9240 square feet (1040 square feet larger than plaintiff's lot), while the house contains 1158 square feet (44 square feet larger than plaintiff's house). However, this larger house on a larger lot on the same block is assessed at \$36,107 based on its 1975 valuation, and the general tax levy is only \$361.07. Again, plaintiff's annual property tax is nearly five times that paid by her neighbor.

30. The property tax disparity between home buyers in plaintiff's neighborhood is even greater in 1989, increasing from almost 5 to 1 for 1988 home buyers, to 6 to 1 for 1989 home buyers.

31. In 1978, immediately after the adoption of Article XIII A, the tax disparity created by Article XIII A's "welcome stranger" provision between similar properties purchased in 1978 and those owned since 1975-76 was approximately 1.4 to 1. Today, in 1989, that disparity averages 5 to 1 in Los Angeles County, while in certain neighborhoods the post-Article XIII A disparity between property tax assessments for similarly situated properties is as great as 500 to 1, and more. This same pattern of discrimination against more recent property owners prevails throughout the state of California.

32. The chart below provides examples of the disparities found in neighborhoods in the following areas of Los Angeles County:

Property Tax Assessments Based on 1989 Purchase Price: Property Tax Assessments Based on 1975-76 Values	
Neighborhood	Values
Venice (Oakwood)	15:1
Malibu	12:1
Manhattan Beach	9:1
Santa Monica	9:1
Long Beach	8:1
Boyle Heights	7:1
Baldwin Hills	7:1
San Gabriel	6:1
Canoga Park	5:1
Glendale	5:1
Silverlake	5:1
Van Nuys	5:1
Compton	5:1
Watts	4:1

33. As property values increase in the future, the discriminatory impact of Article XIII A's "welcome stranger" provision, which requires the systematic undervaluation of comparable property, will magnify the current disparity between the tax assessments of similarly situated properties. For example, if the average annual rate of growth in the assessed value of properties in plaintiff's neighborhood since 1975 continues for ten more years, by 1999 the disparity in tax assessments for similarly situated properties will be approximately 20 to 1. Similarly, in the Oakwood neighborhood in Venice, the disparity will be approximately 100 to 1.

34. Article XIII A was promoted as a means to cut back on wasteful government spending while making California taxes fair, equal, and within the ability of taxpayers to pay.



35. Instead, Article XIII A has created an arbitrary system which assigns disparate real property tax burdens on owners of generally comparable and similarly situated properties without regard to the use of the real property taxed, the burden the property places on government, the actual value of the property or the financial capability of the property owner.

### **FIRST CAUSE OF ACTION**

(FOR DECLARATORY RELIEF AGAINST  
DEFENDANT JOHN J. LYNCH)

36. Plaintiff realleges and incorporates by reference paragraphs 1 through 35 of this complaint.

37. California Revenue & Taxation Code § 4808 specifies that a declaratory judgment action is available to a property taxpayer to challenge the constitutionality of an assessment within 30 days after the delinquency date of a property tax bill or any installment thereof.

### **SECOND CAUSE OF ACTION**

(FOR REFUND OF PROPERTY TAXES AGAINST  
DEFENDANT LOS ANGELES COUNTY)

38. Plaintiff realleges and incorporates by references paragraphs 1 through 35 of the Complaint.

39. Defendant Los Angeles County owes Plaintiff a refund of property taxes for the tax year 1988-89 in the amount of \$896.05.

### **PRAYER FOR RELIEF**

WHEREFORE, plaintiff prays for judgment as follows:

1. That the court declare that Article XIII A of the Constitution of California is invalid insofar as it requires that owners of similarly situated properties be taxed disparately;

2. That this court declare that the tax assessment of plaintiff's property at 3933 S. Sycamore at \$170,000 is invalid;

3. That defendant Los Angeles County be required to refund to plaintiff the sum of \$896.05 together with interest;

4. That this court grant plaintiff her costs and reasonable attorneys fees; and

5. That the Court grant such other and further relief as it finds just and proper.

DATED: October [25], 1989

CARLYLE W. HALL, JR.  
MARY LOUISE COHEN  
Hall & Phillips

\_\_\_\_\_/s/\_\_\_\_\_  
Mary Louise Cohen  
Attorneys for Plaintiff

\* \* \*

[EXHIBIT A and VERIFICATION Omitted in Printing]

\* \* \*

**SUPERIOR COURT OF THE STATE OF CALIFORNIA  
FOR THE COUNTY OF LOS ANGELES  
Civil No. C738781**

[TITLE Omitted in Printing]

[ORIGINAL FILED  
November 16, 1989  
COUNTY CLERK]

**NOTICE OF HEARING OF GENERAL DEMURRER;  
GENERAL DEMURRER OF JOHN J. LYNCH TO  
PLAINTIFF'S AMENDED COMPLAINT;  
MEMORANDUM OF POINTS AND AUTHORITIES  
IN SUPPORT THEREOF**

Date: January 29, 1990

Time: 9:00 a.m.

Dept. 36

TO PLAINTIFF STEPHANIE NORDLINGER AND  
HER ATTORNEYS OF RECORD:

PLEASE TAKE NOTICE that on January 29, 1990, at 9:00 a.m., or as soon thereafter as the matter may be heard in Department 36 of the above-entitled court located at 111 North Hill Street, Los Angeles, California, Defendant John J. Lynch will demur to the amended complaint of Plaintiff Stephanie Nordlinger.

Defendant John J. Lynch hereby demurs to both causes of action of Plaintiff's amended complaint, pursuant to California Code of Civil Procedure, Sections 430.10(e) and 430.30, on the following grounds:

1. The first cause of action for declaratory relief pursuant to Revenue and Taxation Code Section 4808 fails to state facts sufficient to constitute a cause of action in that the original complaint on file in this action shows on its face that this action was not filed within 12 months

after a change in administrative regulations or statutory or constitutional law, as required by the penultimate paragraph of Section 4808.

2. The first and second causes of action fail to state facts sufficient to constitute a cause of action in that the California Supreme Court has determined that the provisions of Article XIII A of the California Constitution do not violate the equal protection guarantees of the state and federal constitutions. *Amador Valley Joint Union High School District v. State Board of Equalization* (1978) 22 Cal.3d 208.

WHEREFORE, Defendant prays that this demurrer be sustained without leave to amend, that Plaintiff take nothing by her complaint, and that Defendant recover the costs expended herein.

Dated: November 14, 1989

DE WITT W. CLINTON  
County Counsel

DAVID L. MUIR  
Principal Deputy County Counsel

By /s/  
ALBERT RAMSEYER  
Associate County Counsel  
Attorneys for Defendant  
John J. Lynch, in his capacity  
as Tax Assessor for  
Los Angeles County

\* \* \*

[MEMORANDUM OF POINTS AND AUTHORITIES  
IN SUPPORT THEREOF Omitted in Printing;  
CERTIFICATE OF SERVICE Omitted in Printing]

\* \* \*



**SUPERIOR COURT OF THE STATE OF CALIFORNIA  
FOR THE COUNTY OF LOS ANGELES**

**Civil No. C738781**

[TITLE Omitted in Printing]

[ORIGINAL FILED  
December 28, 1989]  
COUNTY CLERK]

**DECLARATION OF DAVID GOLD IN SUPPORT OF  
- MOTION FOR ISSUANCE OF DECLARATORY  
JUDGMENT PURSUANT TO CAL. REVENUE AND  
TAXATION CODE § 4808, AND  
FOR CLAIM FOR REFUND PURSUANT TO  
REVENUE AND TAXATION CODE § 5097**

I, David Gold declare:

**Background**

1. In 1975, I graduated *cum laude* from Harvard University with a B.A. in Economics.

2. From February 1976 until the Summer of 1977, I was a Research Assistant at the Rand Corporation in Los Angeles. I participated in a major economic research project, the Los Angeles Department of Water and Power Peak Load Pricing Experiment. I was responsible for supervising efforts to investigate aberrational data. I also was involved in computer programming, interpreting economic data, and in data management.

3. From the Fall of 1977 until the Spring of 1982, I was a student at Harvard Law School where I pursued legal studies and was awarded a J.D. degree in 1982. During this time, I also spent the equivalent of two full years in graduate level studies in economics and applied statistics at the John F. Kennedy School of Public Policy.

4. From the Fall of 1983 through the Spring of 1984, I was a faculty research fellow at Harvard Law School, specializing in developing applications of economic analytic techniques to litigation negotiations.

5. In 1989, I established my own legal/economic consulting practice, and have worked on two projects for the California Attorney General's Office evaluating the use of economic models in litigation.

6. In July of 1989, in connection with *Nordlinger v. Lynch*, I was hired by the Center for Law in the Public Interest to perform an economic study (1) to evaluate the magnitude of property tax disparities between plaintiff's property at 3933 South Sycamore Avenue and similar neighboring properties acquired before 1975 and (2) to evaluate the magnitude of real property tax disparities in other Los Angeles County neighborhoods among properties acquired before 1975 and similarly situated properties acquired in 1989.

7. To perform both studies, I utilized the following sources: (1) Data purchased from Damar Corporation in Los Angeles. This data provides, for almost all residential properties in Los Angeles County, information including house and lot size, numbers of bedrooms and bathrooms, year of construction, date of acquisition, acquisition price and assessment. The data are provided by Damar through an on-line computer connection. The Damar data consist of information provided to Damar by a variety of sources, including the Los Angeles County Assessor's Office and the Los Angeles County Recorder's Office. In addition to the Damar data, I utilized: (2) 1989 Quarterly Real Estate and Construction Reports of the Real Estate Research Council of Southern California; and (3) consultations with professional appraisers at Curtis, Rosenthal and Associates. See Declaration of David Rosenthal.

### Study of Plaintiff's Neighborhood

8. To determine the real property tax disparities in plaintiff's neighborhood, I first searched the Damar data for properties located within a two block, nine street radius of plaintiff's home at 3933 South Sycamore Avenue in Los Angeles County that (1) had homes containing 1100-1200 square feet (plaintiff's house is 1114 square feet); (2) had a similar number of rooms, bedrooms and bathrooms to plaintiff's home; (3) were the same age as plaintiff's home; and (4) had lots sized within roughly 1000 square feet of the size of plaintiff's lot.

9. From the properties that met these criteria, I found 19 that were assessed based on their 1975 values. (All references to 1975-based assessments herein incorporate the 2% annual increments provided for by Article XIII A). With one exception (the property located at 3871 Cloverdale), these homes all had assessments within a \$4,000 range. I removed the Cloverdale house from the sample, and averaged the assessments on the remaining houses to obtain a neighborhood average assessed value for this type of house if purchased before 1975. Attached as Exhibit A are the data describing these homes. The average assessed value was roughly \$37,600.

10. I then compared the \$37,600 average assessment on the selected pre-1975 owned properties to the \$170,000 assessment on 3933 South Sycamore Avenue to determine the rate of disparity between the real property taxes on plaintiff's property versus those assessed against similarly situated properties. Plaintiff paid taxes that were approximately five times higher than the average paid by the owners of these 18 neighboring properties.

11. To verify this ratio I searched for houses similar to plaintiff's in size, age, room configuration and lot

size that sold in 1989 but that bore 1975-based assessments prior to sale. Comparing the 1989 sale price to the prior assessment on the same property offers a useful check on assessment disparities. For example, the property at 3840 Burnside, which is identical to plaintiff's house in square footage and room configuration, was assessed at \$36,620 before it sold two months after plaintiff's for \$175,000; the assessment ratio between new and prior owners of the property was thus 5-to-1. Similarly, the property at 3837 Alsace, also very close in description to plaintiff's, was assessed at \$37,136 when it sold for \$170,000 three-and-one-half months before plaintiff's. This ratio also rounds to 5-to-1.

12. Next, I sorted houses with the aforementioned characteristics in descending order by date of sale, to check if price trends from 1975 to 1988 showed that assessments on new sales would have risen to five times those on pre-1975 properties. Taking into account the 2% annual increases allowed under Article XIII A, for assessment disparities to grow to a ratio of almost 5-to-1 prices would have multiplied by a factor of between 5 and 6 in the 13-year period. As data in Exhibit A show, prices for these homes rose from \$32,000 in 1975 to plaintiff's price of \$170,000 in 1988. (While prices rose more quickly in some periods than others, a look at the data shows that the \$170,000 figure for 1988 and the \$32,000 figure for 1975 are right in line with the trends. Indeed, the data also shows that increases in value during 1989 mean that disparities between the newest purchasers and pre-1975 purchasers have risen to 6-to-1 in the year since plaintiff's purchase.)

13. As a final and independent check on this 5-to-1 tax disparity in plaintiff's neighborhood, I arranged for a professional real estate appraiser to appraise



plaintiff's property as well as a property which was assessed one-fifth as high despite appearing from the pertinent characteristics to be slightly more valuable than plaintiff's. The appraiser, Manuel Estrada, appraised the property located at 3923 South Sycamore Avenue, directly next door to plaintiff. According to the Los Angeles County Assessor's Office, the house at 3923 South Sycamore contains one more bathroom than does plaintiff's, is 99 square feet larger than plaintiff's home and has a lot 800 square feet bigger.

14. As expected, Mr. Estrada appraised the neighboring property at a slightly higher value than plaintiff's despite its much lower assessment. He appraised the neighboring property at \$210,000, roughly six times its \$36,878 assessment. The plaintiff's property was appraised at \$205,000, already up from the \$170,000 assessment based on her purchase price from one year ago. See Declaration of Manuel Estrada at ¶¶ 5, 6. The general property tax on plaintiff's property for 1989 is \$1700. In contrast, the general tax on the slightly more valuable property at 3923 South Sycamore is \$368 (these figures do not include amounts to pay for voter approved indebtedness or direct assessments).

#### **Study of Other Los Angeles County Neighborhoods**

15. To perform the study of tax disparities in other Los Angeles County neighborhoods, I selected a cross-section of neighborhoods throughout Los Angeles County. For each neighborhood (defined by either a Thomas Guide grid location or an assessor's parcel number), I reviewed Damar data detailing all verified sales and all properties that have not changed ownership since 1975.

16. Once I had identified all such properties within a neighborhood, I selected sales from 1975 or before

and sales from 1989. I then obtained from the Damar data a description of each selected property. I sorted through the properties to find those that had approximately the same square footage, similar numbers of bedrooms and bathrooms, roughly equivalent lot size, and were about the same age. From this sort, I obtained a group of 1989 properties to compare to a group of similar properties assessed according to 1975 values.

17. In each neighborhood included in my study, I compared the tax assessment of the 1989 properties with at least five (but usually many more) 1975 properties. Current assessed values of properties that were sold in or before 1975 were available from Damar. To determine the assessed value of the 1989 sales, I utilized the 1989 sales price.

Attached hereto as Exhibit B are examples of the type of data compiled for each neighborhood studied.

18. I then took several steps to compensate for the possibility that the houses were not comparable due to differences in value that were not apparent from the Damar data. First, I averaged assessments over large numbers of houses to decrease the impact of any individual house differing in value in a way not readily apparent from the Damar data. Second, I made house by house assessment comparisons, pairing 1989 sales and pre-1975 sales that were particularly close in address, size, room configuration, and lot area. Third, I analyzed price trends to determine if any of the prices seemed significantly out of line with the trends.

19. For each neighborhood, I then checked my estimate of the disparity between assessments of similar properties by locating at least one property that had sold in 1975 and then again in 1988 or 1989. I compared that property's tax assessment before sale with its recent

sales price.<sup>1</sup> These houses offer a good way to demonstrate the difference between a 1975 base year assessment and a 1989 base year assessment, because their new assessments are being compared to the prior assessments on the very same property. In each case, the disparity between assessments before and after sale closely mirrored the disparities I found between similarly situated neighboring properties assessed according to a pre-1975 sales date and a 1989 sales date.

20. As a final cross check, I arranged for a professional real estate appraiser, Mr. Ken Kirshner, to perform a drive-by examination of (and to photograph) comparable properties. He went to most of the neighborhoods I analyzed, and compared one property that was assessed according to its 1975 assessed value to one assessed according to a 1989 sales price.<sup>2</sup> I supplied Mr. Kirshner with Damar data describing the property and showing the house and lot size, number of bedrooms and bathrooms, year of construction and assessed value. In each case, he evaluated these disparately assessed homes as comparable or judged that the property with the low, 1975-based assessment had superior attributes. See Declaration of Ken Kirshner ("Kirshner Declaration") at ¶ 5. Assessment differentials on most of these properties were double-checked using data directly from the Assessor's Office. See Exhibit A to Declaration of Catherine Rich ("Rich Declaration").

21. The following table summarizes the tax disparities I found by neighborhood. It tracks the two properties

<sup>1</sup>In the case of a 1988 sale, the updated assessment was itself available. In such a case I estimated the 1989 assessment according to the price trend in the neighborhood.

<sup>2</sup>Mr. Kirshner did not visit the properties in Long Beach, San Gabriel or Van Nuys.

examined by Mr. Kirshner which I had chosen as typical examples of this type of property in the neighborhood, and compares the tax on the home sold in 1989 with that on the comparable home last sold before 1975. Note that both homes have roughly the same market value.

TABLE I:  
DIFFERENCE IN PROPERTY TAXES BETWEEN  
COMPARABLE HOMES

NEIGHBORHOOD	CURRENT MARKET VALUE	TAX ON NEW OWNER	TAX ON PRE-1975 OWNER	RATIO OF TAX ON NEW OWNER TO TAX ON PRE-1975 OWNER
VENICE	\$ 335,000	\$ 3,350	\$ 260	13:1
BEVERLY HILLS	3,800,000	38,000	3,230	12:1
MANHATTAN BEACH	630,000	6,300	680	9:1
SANTA MONICA	1,000,000	10,000	1,140	9:1
MAR VISTA	425,000	4,250	520	8:1
LONG BEACH	345,000	3,450	420	8:1
BALDWIN HILLS <sup>1</sup> (View Park)	585,000	5,850	730	8:1
BOYLE HEIGHTS	129,000	1,290	170	8:1
GLENDALE	325,000	3,250	490	7:1
SAN GABRIEL	270,000	2,700	450	6:1
BALDWIN HILLS (Plaintiff's Area)	210,000	2,100	360	6:1
CULVER CITY <sup>4</sup>	363,000	3,630	570	6:1
COMPTON	90,000	900	180	5:1
WATTS	80,000	800	160	5:1

<sup>1</sup>More generally, tax disparities in this neighborhood fall into the 6-to-1 range. A typical pair of houses are those at 3635 Homeland, which recently sold for \$310,000, and the slightly larger neighboring property at 3657 Homeland which is assessed at \$51,000. See Exhibit B.

<sup>4</sup>The 1989 property is approximately \$10,000 more valuable than the otherwise comparable 1975 property. See Kirshner Declaration at ¶ 5.



The column labeled "Market Value" contains the price of the home sold in 1989 as recorded by the Los Angeles County Assessor's Office. This price represents the market value of both of these comparable homes. The column labeled "Tax on New Owner" is calculated by taking 1% of the market value. The column labeled "Tax on Pre-1975 Owner" is taken from the Assessor's Office and represents 1% of the 1975 assessment plus the 2% by which that assessed value is annually increased. (None of the tax figures includes taxes collected as "voted indebtedness" because that percentage varies throughout Los Angeles County.) The column labeled "Ratio" is determined by comparing the tax on the new owner to the tax on the pre-1975 owner. The ratios shown on these charts for the two selected properties were also representative of the larger sample I compared in each neighborhood, as discussed in paragraphs 16 through 19 above.

22. Not only are individuals who own comparable homes taxed at disparate levels, as each row in the Table shows, but properties that vary greatly in value are taxed at the same level. For example, my review of the Damar data showed that the owner of a 7800 square foot, seven bedroom residence on a prime 28,000 square foot Beverly Hills lot paid a general property tax equal to that paid by the owner of a 980 square foot Venice home on a 3100 foot urban lot. Similarly, the general tax levied against plaintiff's property is only a few dollars short of that paid by a pre-1976 owner of a \$2.1 million Malibu beachfront home.<sup>5</sup>

<sup>5</sup>The records of the Assessor's Office and Damar data indicate that until its recent sale for \$2,100,000, the property located at 31016 Broad Beach Road in Malibu was assessed at just under \$180,000. See Exhibit A to Rich Declaration.

### Projections of Future Disparities

23. To determine what the range of property tax disparities would be between similarly situated properties in these same neighborhoods ten years from now, I estimated the 1999 sales prices for properties similar to those compared by the appraiser. To make this estimation, I determined the average annual rate of appreciation for these properties in each neighborhood from 1975 through 1989. I then applied this rate to the 1989 sales prices in each neighborhood to determine a projected 1999 value.

24. Using this method, I estimated that by 1999 property tax disparities between comparable properties will be as shown in the final column of Table 2, below:

TABLE 2:  
RATE AT WHICH TAX DIFFERENTIALS HAVE GROWN  
SINCE THE ARTICLE XIII A BASELINE YEAR, AND  
PROJECTED DIFFERENTIALS IN 10 MORE YEARS

	AVERAGE ANNUAL GROWTH RATE OF HOME VALUES	AVERAGE ANNUAL GROWTH RATE OF TAX DIFFEREN- TIALS	CURRENT TAX DIFFEREN- TIALS	YEARS TAKEN FOR TAX DIFFEREN- TIALS TO DOUBLE	PROJECTED TAX DIFFEREN- TIALS 10 YEARS FROM NOW
VENICE	22.5%	20.1%	13:1	3.8	81:1
BEVERLY HILLS	21.1%	19.4%	12:1	3.9	71:1
SAN GABRIEL	18.3%	16.0%	8:1	4.7	35:1
PLAINTIFFS NEIGHBORHOOD	16.0%	13.7%	6:1	5.4	22:1
WATTS	14.4%	12.2%	5:1	6.0	16:1

The column labeled "Average Annual Growth Rate of Homes Values" represents the average annual growth in value from 1975 to 1989 for the properties examined by the appraiser (as well as those properties I found to be similar to them); the column labeled "Average

Annual Growth Rate of Differentials" adjusts the growth rate shown in column 1 to reflect the annual 2% increase in property assessments allowed by Article XIII A; the column labeled "Current Differentials" is taken from Table 1 in paragraph 21 above representing current assessment disparities in the neighborhood; the "Years Taken For Tax Differential to Double" column shows how quickly assessment differentials have doubled and would continue to double when growing at the rate shown in column 2; and the column labeled "Projected Differentials in 10 Years" is calculated by applying the "Average Annual Growth Rate of Differentials" figure from column 2 for 10 years to the Current Differentials in column 3.

The explosive nature of growth rates makes a differential that grows to 10-to-1 after 13 years explode to 100-to-1 in 26 years. The final column of the Table shows that only ten years from now, differentials well over 50-to-1 will be common if values continue to rise at the annual rate they have risen since 1975. Moreover, even in the unlikely event that the growth rate were to plummet to 9-1/2%, a typical return on a very conservative utility bond investment well below the appreciation rate that has prevailed even in the Watts sample since 1975, assessment differentials would still double every ten years. For example, in Venice, where today's differential is 13-to-1, the differential would increase to 26-to-1 in just ten years even under this extremely conservative assumption.

25. A sampling of Damar data on commercial and industrial properties and on residential income properties (apartment buildings) reveals disparities parallel to those found in residential properties. For example, a survey of office buildings on a small stretch of Wilshire Boulevard yielded 6-to-1 assessment

disparities between towers similar in age, location and square footage, and also revealed recent resales being reassessed at six times their prior assessment.

Additionally, a preliminary survey of empty lots disclosed lots assessed at less than 1/25th of their value. Based on my experience with the residential properties, this fraction appears reasonable, because land values have risen much faster than building values.

A preliminary review of Westwood area apartment buildings shows assessment disparities of roughly 10-to-1 between new and longtime owners of properties similar in size, location, and year of construction.

26. In 1978, immediately after Proposition 13 took effect, the property tax on a typical newly purchased Los Angeles County home was \$686.00.<sup>6</sup> If that home still remains in the same hands in 1989, the property tax has fallen by 38% in inflation adjusted terms.<sup>7</sup> The reason that the inflation adjusted taxes on longtime owners continue to fall is because Article XIII A only allows a 2% annual increase in assessments. Attached

<sup>6</sup>The median price of an existing home in Los Angeles County is \$225,000. Unpublished data from California Association of Realtors. See Declaration of Robyn Phillips Footnote 1. In 1978 its price would have been roughly \$68,600. (Calculated from the price index in Table 1 of Declaration of Robyn Phillips. Its general property tax levy would have been 1% of \$68,600, or \$686.00.

<sup>7</sup>The current tax equals the 1978 tax (\$686.00) increased by 2% per year, for a cumulative increase of just 24.3% to \$852.00. By contrast, general price levels for all goods and services in the greater Los Angeles area have risen almost 100% since 1978. See Exhibit C (Real Estate Research Council Report.) Had the original tax kept pace with inflation, in 1989 dollars, the original tax would be equal to \$1372.00. The actual 1989 tax of \$853.00 is 38% below the inflation adjusted original tax.



as Exhibit C is a true and correct copy of the "Cost of Housing Indexes," which contains the Bureau of Labor Statistics Consumer Price Index for Los Angeles, as published by the Real Estate Research Council of Southern California. As Exhibit C shows, overall inflation has exceeded 2% every year since 1978 except one, in most years by a wide margin. In every year that assessments have increased more slowly than inflation, the longtime owner has received a tax cut in inflation adjusted terms.

27. Attached as Exhibit D is a true and correct copy of Table 2-11, "Reasons for Move and Choice of Current Residence-Occupied Units," from the American Housing Survey for the Los Angeles-Long Beach Metropolitan Area in 1985.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed this [28] day of December, 1989, at Los Angeles, California.

\_\_\_\_\_/s/\_\_\_\_\_  
David Gold

\* \* \*

[CERTIFICATE OF SERVICE OMITTED]

\* \* \*

#### [EXHIBIT A]

The tables in Exhibits A and B provide examples of the data used to estimate assessment differentials. Assessment columns have been highlighted with arrows. The reference information below is intended to answer questions that may arise while examining the tables.

Column Headings Signify the following:

"MO" and "YR" refer to the date when the current owner purchased the house.

"PRICE" was the purchase price.

"ASSESSMENT" is the current assessment.

"BLDG AREA" represents the size of the house in square feet.

"RMS" indicates the number of rooms, "BDR" the number of bedrooms, and "BTH" the number of full sized bathrooms.

"LOT AREA" is listed in square feet.

"YR" is the year when the house was constructed.

The following information sometimes appears:

"N/A" signifies data that is not available or not applicable.

"U" signifies data that is unavailable.

"\*" signifies that an entry has too many digits to fit into its field. For example, many of the homes in Beverly Hills had 10 or more rooms, too large a number of fit into the 1 digit "RMS" field.

In some instances data that is not available appears as a "0" (zero).

Information on some houses is duplicated as a result of the sorting techniques used.

Assessments on 1989 sales have been estimated from sale price.

[Source: Damar Corporation]  
BALDWIN HILLS (Plaintiffs Neighborhood)

MOYR	ADDRESS	PRICE	ASSESS- MENT	BLDG AREA	R B B			LOT AREA	YR BLT
					M	D	T		
10 89	3915 S BURNSIDE	209,000	209,000	1114	5	3	2	7296	47
08 89	3851 RIDGELEY D	210,000	210,000	1106	5	3	1	7650	47
08 89	3808 CLOVERDALE	200,000	200,000	1153	5	3	1	7770	47
06 89	3831 S SYCAMORE	216,000	216,000	1161	5	3	1	8550	47
01 89	3840 BURNSIDE A	175,000	175,000	1114	5	3	1	8000	47
11 88	3933 S SYCAMORE	170,000	170,100	1114	5	3	1	8200	47
12 87	3842 RIDGELEY D	160,000	163,200	1188	5	3	1	7800	47
08 87	3835 RIDGELEY D	135,000	137,700	1114	6	3	1	7496	47
04 87	3826 BURNSIDE A	130,000	135,251	1114	5	3	1	7700	47
05 86	3828 DUNSMUIR A	118,000	100,577	1186	5	3	1	7150	47
06 85	3810 HAUSER BL	105,000	113,653	1186	5	3	1	7020	47
06 84	3842 S SYCAMORE	118,000	130,278	1188	5	3	1	9010	47
03 84	3860 ALSACE AV	106,000	117,028	1151	5	3	1	8804	47
07 83	3877 S CLOVERDA	100,000	110,403	1188	5	3	2	9176	47
11 82	3912 BURNSIDE A	95,500	107,544	1186	5	3	1	7900	47
09 77	3860 CLOVERDALE	55,000	67,706	1186	5	3	1	9610	47
08 77	3839 DU RAY PL	50,000	61,549	1134	5	3	1	7040	47
11 75	3854 ALSACE AV	37,000	46,357	1168	5	3	1	8999	47
07 75	3836 RIDGELEY D	32,500	41,617	1134	5	3	1	5500	47
07 75	3851 S SYCAMORE	32,000	40,974	1134	5	3	1	9140	47
04 75	3811 RIDGELEY D	33,500	46,08	1186	5	3	1	7620	47
09 74	3880 CLOVERDALE	N/A	37,745	1186	5	3	1	8100	47
04 71	3927 BURNSIDE A	N/A	36,832	1151	5	3	1	8000	47
09 70	3815 COCHRAN AV	N/A	38,010	1188	5	3	1	7150	47
01 70	3913 RIDGELEY D	N/A	38,792	1188	5	3	1	7800	47
03 69	3903 S SYCAMORE	N/A	36,828	1158	5	3	1	9405	47
11 68	3842 ALSACE AV	N/A	39,967	1193	5	3	1	8780	47
05 68	3831 COCHRAN AV	N/A	36,441	1114	5	3	1	7550	47
09 67	3868 S SYCAMORE	N/A	35,783	1114	5	3	1	9100	47
03 66	3885 ALSACE AV	N/A	38,268	1158	5	3	1	9248	47
01 66	3915 S SYCAMORE	N/A	36,174	1151	5	3	1	9260	47
12 65	3926 RIDGELEY D	N/A	36,832	1106	5	3	1	7100	47
10 64	3871 CLOVERDALE	N/A	44,748	1186	5	3	1	9052	47
09 64	3823 ALSACE AV	N/A	36,436	1114	5	3	1	9200	47
08 63	3836 ALSACE AV	N/A	37,484	1151	5	3	1	8500	47
09 47	3831 DUNSMUIR A	N/A	36,699	1106	5	3	1	7150	47
05 47	3830 ALSACE AV	N/A	39,182	1134	5	3	1	9000	47
U.	3941 RIDGELEY D	N/A	39,443	1157	5	3	1	8000	47
U.	3817 BURNSIDE A	N/A	36,570	1158	5	3	1	7100	47
U.	3945 RIDGELEY D	N/A	39,790	1114	5	3	1	7600	47

## [EXHIBIT B]

[Source: Damar Corporation]

MO YR	ADDRESS	PRICE	ASSESS- MENT	BLDG AREA	R B B			LOT AREA	YR BLT
					M	D	T		
09 89	914 NOWITA PL	302,000	302,000	672	4	1	1	3400	22
08 89	720 NOWITA PL	290,000	290,000	483	3	2	2	3400	23
08 89	1622 CRESCENT	289,000	289,000	652	4	2	1	3092	30
07 89	832 NOWITA PL	302,000	302,000	510	3	1	1	3485	21
05 89	734 AMOROSO P	330,000	330,000	700	4	2	1	3150	29
05 89	820 SUPERBA A	283,600	283,600	0	0	0	0	3327	89
04 89	726 NOWITA PL	271,000	271,000	632	3	1	1	3400	21
03 89	821 AMOROSO P	103,000	291,500	786	4	2	1	3330	21
02 89	923 NOWITA PL	335,000	335,000	726	4	2	1	0	23
02 89	714 MARCO PL	317,500	329,000	799	4	2	1	2003	59
02 89	931 MARCO PL	295,000	295,000	512	3	1	1	3600	24
10 88	733 MARCO PL	335,000	335,000	665	4	2	1	3600	21
10 88	910 MARCO PL	185,000	185,000	624	4	1	1	3150	23
09 88	1909 SHELL AV	284,000	284,000	780	2	1		2744	21
09 88	735 AMOROSO P	283,000	283,000	782	4	2	1	3150	27
08 74	910 SUPERBA A	N/A	53,013	726	4	2	1	3150	23
05 74	924 NOWITA PL	N/A	26,119	720	4	2	1	3400	48
05 74	1707 OAKWOOD	N/A	28,861	768	4	2	1	3400	49
09 72	842 MARCO PL	N/A	28,467	695	3	1	1	3600	21
06 72	732 MARCO PL	N/A	25,853	720	4	2	1	3600	48
05 72	737 NOWITA PL	N/A	28,208	728	4	2	1	3400	48
02 72	838 MARCO PL	N/A	27,685	664	3	2	1	3330	20
02 72	912 AMOROSO P	N/A	31,866	768	4	2	1	3600	23
01 72	1509 WASHINGT	N/A	53,293	687	0	1	1	2613	15
11 71	1620 CRESCENT	N/A	21,545	664	5	2	1	2352	23
07 71	837 VENEZIA A	N/A	27,165	628	4	2	1	3200	22
11 69	1916 SHELL AV	N/A	22,589	774	4	2	1	2178	23
02 69	918 AMBROSO P	N/A	31,999	768	4	2	1	3600	48
05 67	726 SUPERBA A	N/A	23,765	528	3	1	1	3150	38
10 66	854 SUPERBA A	N/A	27,553	680	3	1	1	3330	20
11 65	2012 LINDEN A	N/A	29,382	724	4	2	1	3600	22
11 62	733 SUPERBA A	N/A	28,078	720	4	2	1	3400	24
10 58	823 AMOROSO P	N/A	28,730	773	5	2	1	3330	21
00 58	720 SUPERBA A	N/A	25,594	776	4	1	1	3150	22
09 50	725 NOWITA PL	N/A	24,678	694	4	2	1	2975	24
05 48	729 NOWITA PL	N/A	25,988	660	4	1	1	3400	21
U.	833 SUPERBA A	N/A	29,254	742	4	2	1	3145	35
U.	714 NOWITA PL	N/A	27,294	760	4	1	1	3145	26
U.	2127 LINDEN A	N/A	29,119	660	0	1	1	3920	52



[Source: Damar Corporation]  
BEVERLY HILLS

MO YR	ADDRESS	PRICE	ASSESS- MENT	BLDG AREA	R B B			YR BLT
					MD	T	LOT	
10 89	716 N ELM DR	3,000,000	3,000,000	5347	* 6	7	20185	28
08 89	710 N ELM DR	3,800,000	3,800,000	6283	* 6	8	21290	25
06 89	712 N ELM DR	3,600,000	3,600,000	8394	* 7	5	20860	73
07 74	701 ARDEN DR	N/A	326,618	6780	* 8	7	25900	32
03 74	722 N MAPLE DR	N/A	428,433	8721	* 8	6	24930	30
06 73	721 N MAPLE DR	N/A	322,697	7756	* 7	7	28148	33
05 73	712 N PALM DR	N/A	513,620	6190	* 7	4	23130	26
09 72	715 N MAPLE DR	N/A	346,213	7488	* 7	4	27610	27
09 72	712 HILLCREST R	N/A	364,505	6468	* 7	7	24410	37
05 72	807 ALPINE DR	N/A	607,151	6724	* 7	7	36198	24
03 68	627 ARDEN DR	N/A	295,913	5942	* 7	5	20870	30
08 67	707 ARDEN DR	N/A	359,593	6604	* 7	5	24470	29
08 67	724 N ELM DR	N/A	341,870	5919	* 6	5	25440	27
09 66	626 HILLCREST R	N/A	304,404	5178	* 6	6	19520	27
07 65	720 FOOTHILL RD	N/A	444,200	9446	* 8	7	39800	24
05 63	808 FOOTHILL RD	N/A	350,786	6904	* 7	6	25230	29
03 61	806 FOOTHILL RD	N/A	315,511	6022	* 7	5	24770	27
04 60	705 ARDEN DR	N/A	329,881	6581	* 7	5	24450	27

\* \* \*

[Pages 3-15 (Damar Corporation printouts of similar  
disparities in Los Angeles County neighborhoods)  
of EXHIBIT B Omitted in Printing;

EXHIBIT C Omitted in Printing;

EXHIBIT D Omitted in Printing;

\* \* \*

**SUPERIOR COURT OF THE STATE OF CALIFORNIA  
FOR THE COUNTY OF LOS ANGELES**

Civil No. C738781

[TITLE Omitted in Printing]

[ORIGINAL FILED  
December 28, 1989]  
COUNTY CLERK]

**DECLARATION OF ROBYN S. PHILLIPS IN  
SUPPORT OF MOTION FOR ISSUANCE OF  
DECLARATORY JUDGMENT PURSUANT TO  
CAL. REVENUE AND TAXATION CODE § 4808,  
AND FOR CLAIM FOR REFUND PURSUANT  
TO REVENUE AND TAXATION CODE § 5097**

Date: January 29, 1990

Time: 9:00 a.m.

Dept. 36

I, Robyn Phillips, declare:

1. I am an Assistant Professor with the Department of Economics at the University of California, San Diego, and I am also on the faculty of the Urban Studies and Planning Program at the University. I have held these positions since 1982.

2. I have a Ph.D. in Urban Planning from Harvard University and a Masters in City and Regional Planning from Harvard University.

3. I have ten years of experience in statistical and economic analysis with a focus on urban housing trends and the relationship of housing economics to housing choices.

4. Attached as Exhibit A is a copy of my current Curriculum Vita which accurately lists my professional

experience and the publications, research reports, and other scholarly papers I have authored.

5. In September of 1989, I was hired by the Center for Law in the Public Interest to compare, for each year from 1975 forward, the average assessed value for existing single family homes in Los Angeles County.

6. My first analysis was undertaken to determine, for a typical house, how far below market value its assessed value is likely to be, depending on its year of purchase. Thus, the following chart estimates for that typical house how far its current assessment would diverge from market value if its current owner purchased it in 1975, or instead in 1976, and so on through 1989.

**Table 1:**

**Estimate of Average Ratio of Current Assessed Value to Market Value for Existing Single Family Homes in Los Angeles County by Year Acquired**

Year Acquired	Price Index <sup>1</sup>	Current Assessed Value <sup>2</sup>	Ratio of Assessed Value to Market Value <sup>3</sup>
1975	100	124	.20
1976	118	147	.23
1977	154	191	.30
1978	192	239	.38
1979	234	285	.45
1980	286	342	.54
1981	314	368	.58
1982	320	368	.58
1983	320	360	.57
1984	330	364	.58
1985	339	367	.58
1986	361	383	.61
1987	406	422	.67
1988	481	491	.78
1989	630	630	1.0

<sup>1</sup>This column reflects the annual average percentage increase in the price of houses in Los Angeles County. The data for this column were taken from the 1989 Quarterly Real Estate and Construction Report of the Real Estate Research Council of Southern California at California State Polytechnic University ("the Report") and earlier reports. To compile the Report, professional appraisers reassess the same large sample of Los Angeles County homes twice each year. Based on my experience with and knowledge of statistical analysis, in my opinion, the methodology employed in the Report is very sound for establishing price trends in the County. I cross-checked the accuracy of the trends reflected in the Report by comparing those trends to data supplied annually by the California Association of Realtors on the median price of existing homes in Los Angeles County. I am very familiar with the Association of Realtors data, have worked with it over the years, and based on my experience believe these data are sound and reliable. I further cross-checked the accuracy of the price trend in the Report by comparing it to the 1985 American Housing Survey for the

7. The first entry in the final column of this Table signifies that a typical house purchased in or before 1975 is now assessed at 20% of its current market value. A house purchased in 1980 is typically assessed at 54% of its market value. Only houses purchased in late 1989 would now be assessed at 100% of market value.

8. Using the ratios of assessed value to market value, I then determined an estimate of the weighted average ratio of assessed value to market value for all single family homes in Los Angeles County in 1989. My analysis revealed that, for all single family homes in Los Angeles County in 1989, the average assessed value is 44% of market value. The following table shows the development of this estimate.

Los Angeles/Long Beach Metropolitan Area prepared by the United States Department of Housing and Urban Development and the United States Department of Commerce ("the Survey"). This Survey relays information provided by homeowners about the value of their homes, the date of purchase and property taxes paid. I am very familiar with this data and have worked with it frequently. Based on my experience with the data and my experience in researching and analyzing housing and economic issues, it is my opinion that the Survey data reliably record housing values and property taxes.

<sup>2</sup>This column was developed by increasing the Price Index figure in column 1 by 2% for each year after the base year to allow for the annual 2% increases provided for by Article XIII A. This column reflects the 1989 assessed value of a house purchased in the base year.

<sup>3</sup>This column was developed by taking the current assessed value corresponding to houses purchased in each base year (column 2) and dividing it by 630, which is the 1989 market value in the price index.

**Table 2:**

**Estimate of Average Assessment Ratio, 1989**

Year Acquired	% Parcels Held in 1989 <sup>4</sup>	Assessment Ratio <sup>5</sup>	Weighted Average <sup>6</sup>
Before 1976	38.0	.20	.44
1976-78	11.0	.30	
1979-80	7.0	.50	
1981-85	18.0	.58	
1986	6.0	.61	
1987	7.0	.67	
1988	8.0	.78	
1989	5.0	1.0	

To make this determination, I first estimated what percentage of homes owned in 1989 were purchased prior to 1976, and what percentage were purchased in each subsequent year. Details of this calculation appear in footnotes four through six. I then assigned a ratio of assessment to market value for various years of purchase based on the final column of Table 1. Finally I computed an average overall ratio of assessment to market value by weighing the assessment

<sup>4</sup>This column was derived by: (1) locating the pre-1976 number directly in the Roll Release of the Los Angeles County Assessor's office; a copy of this report is attached as Exhibit B, and (2) estimating all other figures using information on year of purchase from the 1985 American Housing Survey, information on resale volume (from the California Association of Realtors) and information on mobility rates (from the Survey) as well as using my judgment based on my experience and training in urban real estate economics.

<sup>5</sup>This column is derived from the final column in Table 1.

<sup>6</sup>The average assessment ratio of .44 is a weighted average which weights each period's assessment ratio (column 3) by the percentage of homeowners who purchased their current homes in that period (column 2). In computational terms, each row entry in column 2, expressed as a decimal, is multiplied by the row entry in column 3. The products that result are all added together to get the average assessment ratio.



ratio for each period by the percentage of homes last acquired in that period.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed this [23] day of December, 1989 in [Sierra City], California.

\_\_\_\_\_/s/\_\_\_\_\_  
Robyn Phillips

\* \* \*

[CERTIFICATE OF SERVICE Omitted in Printing;

EXHIBIT A Omitted in Printing]

\* \* \*

**[EXHIBIT B]**

From the Office of  
Los Angeles County Assessor  
JOHN J. LYNCH

Hall of Administration  
500 W. Temple Street, Room 320  
Los Angeles, CA 90012-2770

Contact:  
Robert Knowles  
Public Information

7/31/89

**2ND HIGHEST PROPERTY ROLL VALUATION  
INCREASE IN SEVEN YEARS**

Los Angeles County Assessor John J. Lynch today (Monday) unveiled a record \$369.5 billion taxable property roll for 1989-90—representing an 11.9 percent rise in the value of land and buildings over the previous year.

The 1989-90 roll (exclusive of public utility values which are set by the state Board of Equalization) was actually \$385.9 billion. That figure, however, included \$16.4 billion in properties exempt from taxation.

The taxable roll should produce approximately \$467 million (based on an average tax rate of 1.19 percent) in new revenue for cities, schools, special districts, community development agencies and county government over 1988-89, Lynch told some 800 assessor employees gathered in the Hall of Administration for the unveiling of the roll.

"It is not only Southern California's booming economy and tremendous home sales that accounted for this increase," Lynch said. "The motivation shown

by the 1,600 employees of this department in putting properties on the roll, in the spirit of fairness required by Proposition 13, is no less impressive."

Board of Supervisors Chairman Ed Edelman also praised the efforts of Lynch's department in overseeing the valuation of 2.2 million parcels.

As required by state law, Lynch then signed the roll and turned the document over to Auditor-Controller Mark Bloodgood, who will compute the taxes owed by each property owner. Also on hand was Treasurer-Tax Collector Sandra Davis, who will mail out the bills.

County government alone depends on the property tax for 22 percent of its revenue, Lynch noted.

Also attending the ceremony were Chief Administrative Officer Richard Dixon, Registrar-Recorder Charles Weissburd and representatives of the Los Angeles County Employees Association, Local 660, and the California Association of Professional Employees (CAPE).

Once again, the bulk of valuation increases was realized through the sale or transfer of property, accounting for \$23.5 billion of the roll increase (59 percent).

New construction accounted for \$6.1 billion of the increase (15.3 percent) and long-time owners of property accounted for another \$6.2 billion (15.6 percent) as part of the 2 percent inflationary factor required by Prop. 13.

Business personal property and fixtures were responsible for \$2.9 billion (7.1 percent) of the increase.

As always, Los Angeles City posted the highest valuations—equal to 40 percent of the roll—with a \$147.6 billion total, for a \$15.5 billion (11.8 percent) increase over the previous year.

Again coming in second was Long Beach—5 percent of the roll—with a \$17.1 billion total for a \$1.2 billion (7.5 percent) increase.

Palmdale, however, was again the county's fastest growing city, posting a 29.2 percent increase in value for a \$2.5 billion total, primarily because of residential construction made possible by the low cost of land there.

12/31/89-12

[Source: Los Angeles County Assessor]  
**FACTORS CAUSING 1989 VALUATION CHANGES  
 FOR LOS ANGELES COUNTY**  
 (Exclusive of Public Utility Valuations) (1)  
 (Values in Billions)

CURRENT ROLL VALUE CHANGE

	1988	1989	\$ Change	% Change
Local Roll Value				
Before Exemptions	\$ 346.022	\$ 385.912	\$ 39.890	11.5%
Less All Exemptions	\$ 15.794	\$ 16.386		
Net Local Roll Value	\$ 330.228	\$ 369.526	\$ 39.298	11.9%

<u>FACTORS CAUSING CHANGE</u>	<u>CHANGE IN DOLLARS</u>	<u>% OF TOTAL CHANGE</u>
Properties Sold and/or Transferred	\$23.525	59.0%
New Construction	6.105	15.3%
2% Inflation Adjustment (Prop. 13)	6.213	15.6%
Business Personal Property and Fixtures	2.853	7.1%
Other Additions (2)	1.194	3.0%
<b>TOTAL INCREASE TO THE 1989 LOCAL ROLL</b>	<b>\$ 39.890</b>	<b>100.0%</b>
<b>INCREMENTS TO PRIOR ROLLS (3)</b>	<b>7.414</b>	
<b>TOTAL VALUE ADDED DURING THE 1989 ASSESSMENT YEAR</b>	<b>\$ 47.304</b>	

- (1) Public Utility assessments are made by the State Board of Equalization. Their values should be available by the end of August.  
 (2) Value increases due to value restorations, newly created parcels, possessory interests, oil and water rights.  
 (3) Reduction of backlogs for tax years 1984 thru 1988.

[Source: Los Angeles County Assessor]  
**1989 ASSESSED VALUATION  
 (EXCLUSIVE OF PUBLIC UTILITY VALUATIONS)  
 LOS ANGELES COUNTY (1)**

VALUATIONS	1988	1989	AMOUNT OF CHANGE	% OF CHANGE
Land	\$130,376,528,984	\$150,188,734,528		
Bldgs. and Structs.	178,336,433,128	195,561,205,770		
Bus. Pers. Prop. and Fixtures	37,309,065,855	40,162,418,065		
<b>GROSS TOTAL</b>	<b>\$346,022,027,967</b>	<b>\$385,912,358,363</b>	<b>\$39,890,330,396</b>	<b>11.5%</b>
<b>LESS EXEMPTIONS</b>				
Church, Welfare etc. (2)	\$7,794,052,980	\$ 8,519,930,369		
Revenue Producing Valuations	\$338,227,974,987	\$377,392,427,994	\$39,164,453,007	11.6%
Homeowner (3)	\$ 8,000,429,333	7,865,962,750		
<b>NET TOTAL REVENUE PRODUCING VALUATIONS (4)</b>	<b>\$330,227,545,654</b>	<b>\$369,526,465,244</b>	<b>\$39,298,919,590</b>	<b>11.9%</b>

1989 Allocation Of Taxable Parcels

No. of SFR Parcels	No. of Res Inc Parcels	No. of C.I. Parcels	No. of Total Parcels
1,696,783	243,934	224,691	2,165,408
Business Assessments: Personal Property and Fixtures			320,988
<b>TOTAL</b>			<b>2,486,396</b>

- (1) The assessed values do not include State Board of Equalization valued properties.  
 (2) Exemptions not reimbursed to local governments by the State of California.  
 (3) Exemptions reimbursed to local governments by the State of California.  
 (4) Valuations on which revenue is collected by Los Angeles County.



\* \* \*

[Pages 5-6 of EXHIBIT B Omitted in Printing]

\* \* \*

[Source: Los Angeles County Assessor]

## LOS ANGELES COUNTY NET ASSESSED VALUATION (1)

(Exclusive of Public Utility Valuation)

	<u>1978</u>	<u>1979</u>	<u>1980</u>	<u>1981</u>	<u>1982</u>	<u>1983</u>	<u>1984</u>	<u>1985</u>	<u>1986</u>	<u>1987</u>	<u>1988</u>	<u>1989</u>
L.A. County Net Total:	\$109,350	\$134,346	\$150,111	\$169,968	\$190,271	\$203,723	\$223,790	\$245,219	\$266,543	\$298,703	\$330,228	\$369,526
Increase in Value:		\$ 24,996	\$ 15,765	\$ 19,857	\$ 20,303	\$ 13,452	\$ 20,067	\$ 21,429	\$ 21,324	\$ 32,160	\$ 31,525	\$ 39,298
Percent Change:		22.9%	11.7%	13.2%	11.9%	7.1%	9.9%	9.6%	8.7%	12.1%	10.6%	11.9%

(1) All values are exclusive of all exemptions.

[Source: Los Angeles County Assessor]  
**LOS ANGELES COUNTY**  
**DISTRIBUTION OF VALUE BY PROPERTY TYPE**  
**TOTAL COUNTY VALUATIONS LOCAL ROLL (1)**  
**(Values in Billions)**

YEAR	TOTAL ROLL MARKET VALUE	SFR VALUE	% OF TOTAL ROLL	RES-INC VALUE	% OF TOTAL ROLL	COM-IND VALUE	% OF TOTAL ROLL	OIL RIGHTS VALUE	% OF TOTAL ROLL
1969	\$ 65.6	\$ 28.8	43.9%	\$ 8.4	12.8%	\$ 28.4	43.3%	\$ N/A	N/A
1970	69.2	30.0	43.3%	9.2	13.4%	29.1	42.1%	.9	1.2%
1971	72.0	30.8	42.8%	9.6	13.3%	30.9	42.9%	.7	1.0%
1972	75.2	32.4	43.1%	10.4	13.8%	31.8	42.3%	.6	.8%
(2) 1973	72.8	28.4	39.0%	10.8	14.8%	33.1	45.5%	.5	.7%
1974	76.8	30.0	39.1%	11.2	14.6%	34.6	45.1%	1.0	1.2%
1975	83.2	33.2	39.9%	11.2	13.5%	37.7	45.3%	1.1	1.3%
1976	97.2	40.8	42.0%	15.2	15.6%	40.0	41.2%	1.2	1.2%
1977	105.6	44.8	42.4%	16.4	15.5%	43.3	41.0%	1.1	1.1%
1978	109.2	45.2	41.4%	16.0	14.7%	46.8	42.8%	1.2	1.1%
(3) 1978 adj.	119.2	52.0	43.6%	18.0	15.1%	49.2	41.3%	N/A	N/A
1979	134.4	60.4	44.9%	20.4	15.2%	52.4	39.0%	1.2	.9%
(4) 1980	150.0	71.2	47.5%	22.8	15.2%	53.2	35.5%	2.8	1.8%
1981	170.1	82.0	48.2%	24.7	14.5%	60.3	35.5%	3.1	1.8%
1982	190.3	90.8	47.7%	26.4	13.9%	70.0	36.8%	3.1	1.6%
1983	203.7	97.2	47.7%	27.6	13.6%	75.1	36.9%	3.8	1.8%
1984	223.8	105.9	47.3%	29.8	13.3%	84.3	37.7%	3.8	1.7%
1985	245.2	115.7	47.2%	32.7	13.3%	93.4	38.1%	3.4	1.4%
1986	266.6	125.5	47.1%	35.7	13.4%	102.7	38.5%	2.7	1.0%
1987	298.7	138.8	46.5%	40.6	13.6%	117.0	39.1%	2.3	.8%
1988	330.2	153.2	46.4%	46.0	13.9%	128.8	39.0%	2.2	.7%
1989	\$ 369.5	\$175.1	47.4%	\$ 51.7	14.0%	\$141.0	38.2%	\$1.7	.4%

## NOTE:

(1) All values are exclusive of all exemptions.

(2) 1973-Homeowners exemption rose from \$750 to \$1750.

(3) 1978 Adj. - Represents market value after transfer and new construction changes for 1975-1978 were added to the original 1978 roll.

(4) 1980 - Business inventory 100% exempt - \$2.3 billion increase in C-1 base year values.

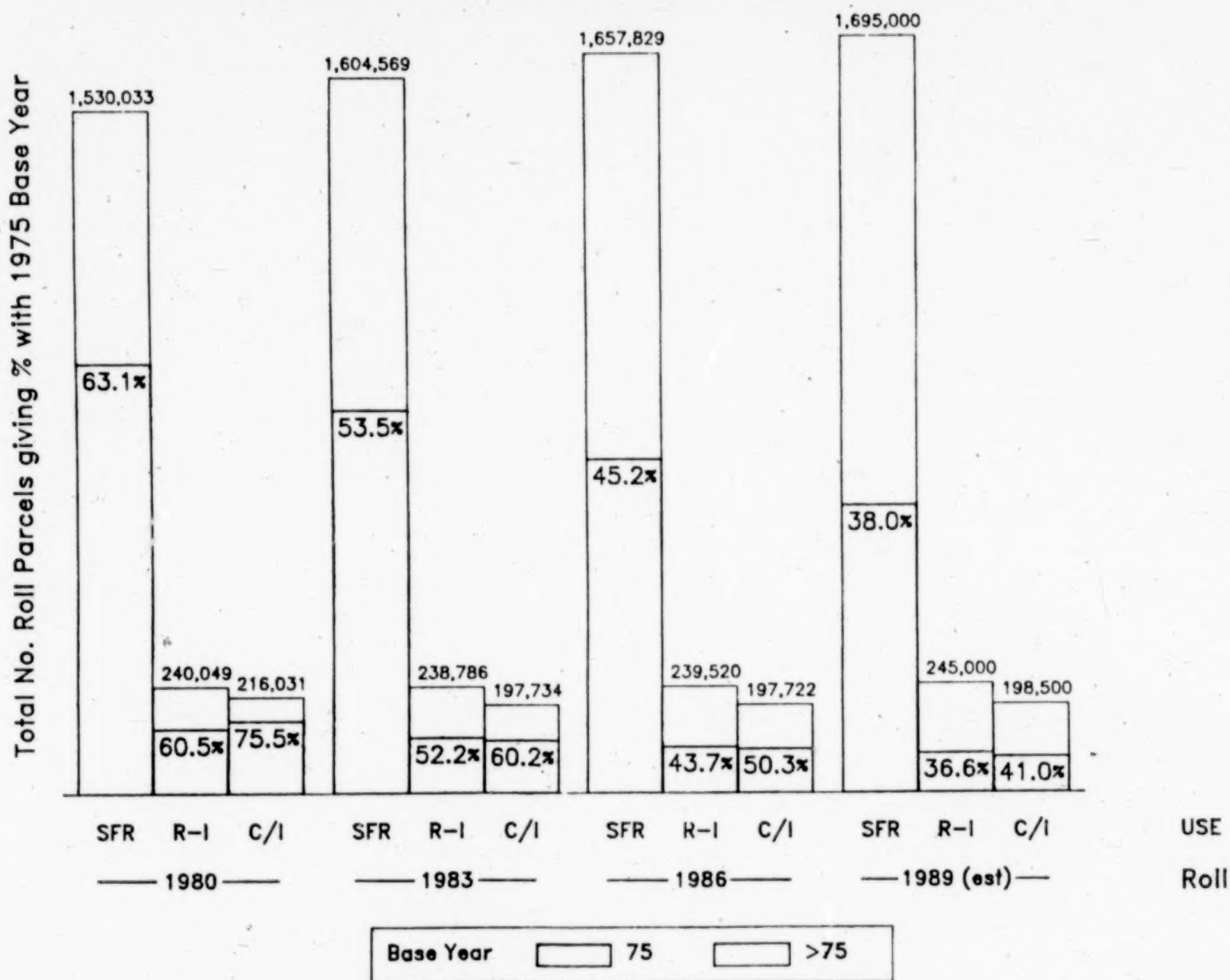
\* \* \*

[Pages 9-17 of EXHIBIT B Omitted in Printing]

\* \* \*

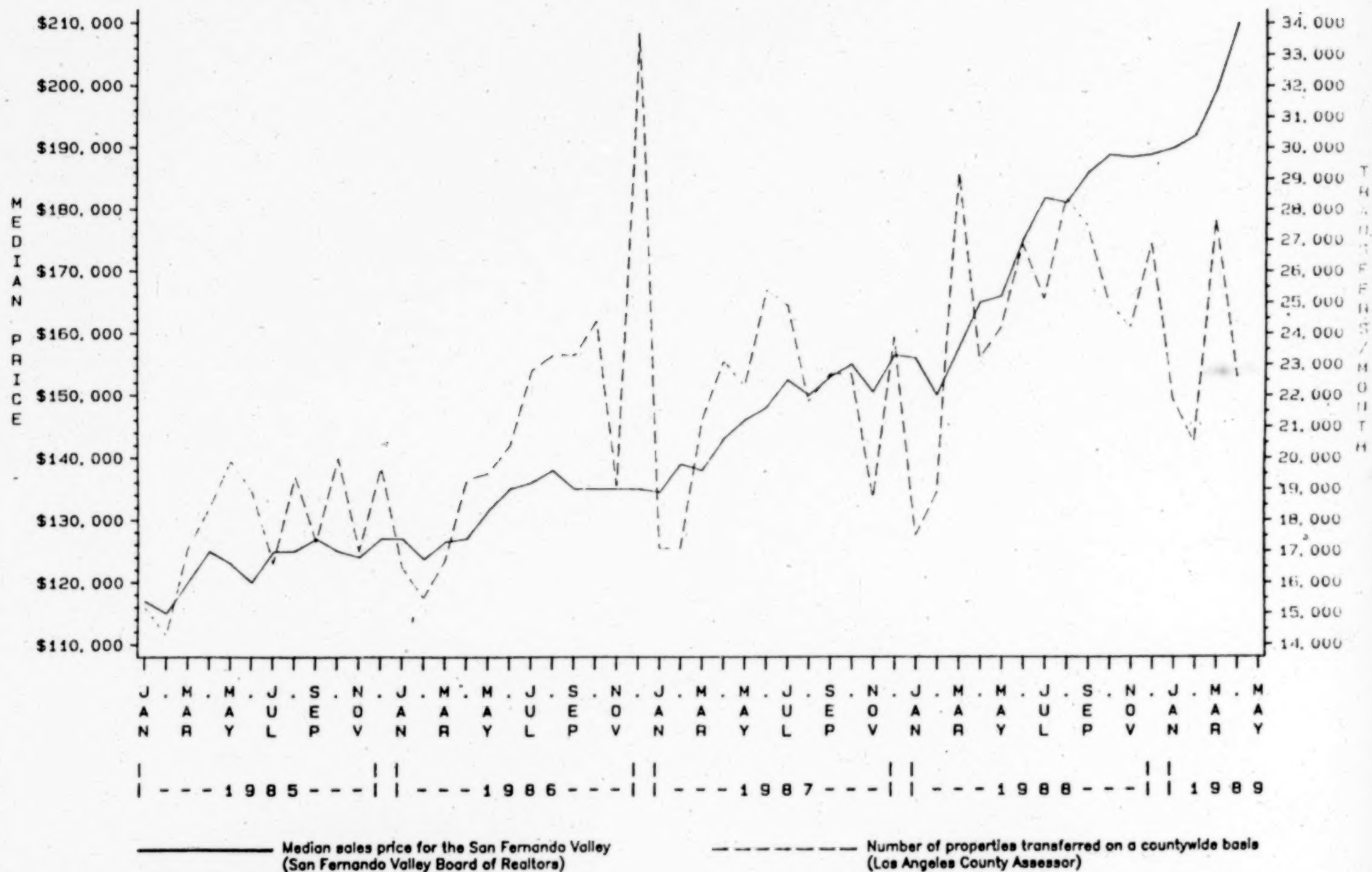
## 1975 BASE YEAR ROLL PARCELS

by Single Family Res (SFR), Residential Income (R-I), and Commercial Industrial (C/I)





COMPARISON OF PROPERTY TRANSFERS AND MEDIAN SALES PRICE  
OF EXISTING SINGLE FAMILY RESIDENCES  
1985 - 1989



\* \* \*

[Pages 20-22 of EXHIBIT B Omitted in Printing]

\* \* \*

**SUPERIOR COURT OF THE STATE OF CALIFORNIA  
FOR THE COUNTY OF LOS ANGELES**

Civil No. C738781

[TITLE Omitted in Printing]

[ORIGINAL FILED  
December 28, 1989]  
COUNTY CLERK]

**DECLARATION OF CATHERINE RICH IN SUPPORT  
OF MOTION FOR ISSUANCE OF DECLARATORY  
JUDGMENT PURSUANT TO CAL. REVENUE AND  
TAXATION CODE § 4808, AND FOR CLAIM FOR  
REFUND PURSUANT TO REVENUE AND  
TAXATION CODE § 5097**

Date: January 29, 1990

Time: 9:00 a.m.

Dept. 36

I, Catherine Rich, declare:

1. I am an attorney licensed to practice in the State of California, and have been employed by the Center for Law in the Public Interest to assist in the preparation of *Nordlinger v. Lynch*.

2. On July 13, 1989, August 8, 1989, and August 9, 1989, I went to the Los Angeles County Assessor's Office located at 4909 Overland Avenue in Culver City and purchased Building and Land Data Line printouts for each house on the 3800 and 3900 blocks of South Sycamore Avenue in Los Angeles, California.<sup>1</sup>

---

<sup>1</sup>The property described on the Building and Land Data Line printout as 5138 Orange Place is a corner property which is also described as 3938 South Sycamore Avenue.



3. On July 13, 1989, I took photographs of each house on the 3800 and 3900 blocks of South Sycamore Avenue in Los Angeles which fairly and accurately depict each house. For each house, I attached a copy of the photograph to a photocopy of the Building and Land Data Line printout that describes the property. These photographs/Assessor's printouts are attached as Exhibits F and G to the Declaration of Stephanie Nordlinger.

4. On December 20, 1989, I went to the Los Angeles County Assessor's Office located at 4909 Overland Avenue in Culver City and examined and purchased Building and Land Data Line printouts for selected properties described in Table 1 of the Declaration of David Gold. In addition, I purchased a Building and Land Data Line printout for the property located at 31016 Broad Beach Road in Malibu. Photocopies of these printouts are attached as Exhibit A.

5. On December 20, 1989, I went to 725 Marco Place in Venice and took a photograph which accurately depicts the property. A copy of this photograph, attached to a photocopy of the Building and Land Data Line printout which describes the property, is attached as Exhibit B. This property is a small house on a small lot located a little over a mile from the beach.

6. On December 26, 1989, I went to 721 North Maple Drive in Beverly Hills and took a photograph which accurately depicts the property. A copy of this photograph, attached to a photocopy of the Building and Land Data Line printout which describes the property, is attached as Exhibit C. This Beverly Hills home is a stately mansion set on a large lot.

I declare under penalty of perjury and the laws of the State of California that the foregoing is true and correct.

Executed this [27th] day of December in Los Angeles, California.

\_\_\_\_\_/s/\_\_\_\_\_  
Catherine Rich

\* \* \*

[CERTIFICATE OF SERVICE Omitted in Printing;

EXHIBIT A Omitted in Printing]

\* \* \*

## [EXHIBIT B]

LOS ANGELES COUNTY ASSESSOR'S  
BUILDING AND LAND DATA LINE  
printout for 725 Marco Place, Venice

\* \* \*

[PHOTOGRAPH Omitted in Printing—  
reproduced in the Petition for Cert. at 10]

\* \* \*

TYPE= BD ASSR ID NO= 4241 021 027

FILE NO= 14 UPDATE= 12/16/89 DATE=12/20/89

ASSR ID NO	REG	CC	USE	ZONE	VC	REC DT	TRF PRICE	# OCI	OC2	DT	INT	DRC
4241 021 027	6 07	07125	0100	LAR2	K	891002-75	3335000	1	3	5	Y	00%-0 A

NAME AND SITUS ADDRESS  
BOYER, RYAN F AND JANET

725 MARCO PL  
VENICE CALIF

SUBPART KEY	DESIGN TYPE	CLASS	YR BLT	EFF YR	NO OF UNITS	NO OF BDRMS	BATHS	NO OF MAIN	SQ FT SQUARE FT	COMPOSITE
0101	0110	D5D	20	24	1	2		1	979	

TOTAL UNITS	TOTAL SQ FT	TRF PRICE PER UNIT	TRF PRICE PER SQ FT	AVG SQ FT PER UNIT	BASE VALUE LAND	PC	RC	BY
1	979	335000	342	979	IMP	50000	T	88

LAND WIDTH	LAND DEPTH	USABLE SQ FT	ACRES	TOTAL
35	90	3150		210000

## SEWERS

PF1 = PARCEL INQ ; PF2 = NAME INQ ; PF3 = ADDRESS INQ ; PF10 = AUTH MENU ; PF11 = EXIT SYSTEM

## [EXHIBIT C]

LOS ANGELES COUNTY ASSESSOR'S  
BUILDING AND LAND DATA LINE  
printout for 721 N. Maple Drive, Beverly Hills

\* \* \*  
[PHOTOGRAPH Omitted in Printing—  
reproduced in the Petition for Cert. at 9]  
\* \* \*

TYPE= BD      ASSR ID NO= 4341 018 015

FILE NO= 14    UPDATE= 12/16/89    DATE=12/20/89

ASSR ID NO	REG	CC	USE	ZONE	VC	REC	DT	TRF PRICE	# OCI OC2	DT	INT	DRC
4341 018 015	5 07	07152	0101	BHR1	A	730614	-50	250000	1		00%-0	

## NAME AND SITUS ADDRESS

MAGID, ROBERT M AND ROBERTA A

721 N MAPLE DR

BEVERLY HILLS CALIF 90210-0000

SUBPART	DESIGN		YR	EFF	NO OF	NO OF	NO OF	SQ FT	COMPOSITE
KEY	TYPE	CLASS	BLT	YR	UNITS	BDRMS	BATHS	MAIN	SQUARE FT
0101	0121	D11B	33	36	1	7		7	7756

TOTAL	TOTAL	TRF PRICE	TRF PRICE	AVG SQ FT	BASE VALUE	PC	RC	BY
UNITS	SQ FT	PER UNIT	PER SQ FT	PER UNIT	LAND		T	75
1	7756	250000	32	7756	IMP	71000	G	75

LAND WIDTH	LAND DEPTH	USABLE SQ FT	ACRES	TOTAL	247000
100	281	28150			

## SEWERS

PF1 = PARCEL INQ ; PF2 = NAME INQ ; PF3 = ADDRESS INQ ; PF10 = AUTH MENU ; PF11 = EXIT SYSTEM



**SUPERIOR COURT OF THE STATE OF CALIFORNIA  
FOR THE COUNTY OF LOS ANGELES**

**Civil No. C738781**

[TITLE Omitted in Printing]

[ORIGINAL FILED  
January 22, 1990]  
COUNTY CLERK]

**DECLARATION OF MARY LOUISE COHEN IN  
SUPPORT OF MEMORANDUM OF POINTS  
AND AUTHORITIES IN OPPOSITION TO  
GENERAL DEMURRER OF DEFENDANT  
JOHN J. LYNCH TO PLAINTIFF'S  
AMENDED COMPLAINT**

Date: January 29, 1990

Time: 9:00 a.m.

Dept. 36

I, Mary Louise Cohen, declare:

1. I am a member of the Bar of the State of California and am counsel for plaintiff.

2. Plaintiff initiated this action on September 28, 1989 to comply with § 4808 of the Revenue and Taxation Code, which required that her action be filed within 30 days of the August 31, 1989 delinquency date of the tax bill she was challenging. At that time her claim for refund was pending before the Board of Assessment Appeals. On October 25, 1989, this refund claim was denied by the Board of Assessment Appeals, making the matter ripe for judicial action. That same day, solely for the purpose of adding her newly perfected refund claim, plaintiff filed an amended complaint, naming Los Angeles County as a defendant, and asking for a refund of property taxes.

3. Attached as Exhibit A is a copy of a pleading entitled "[Proposed] Second Amended Complaint For Declaratory Judgment Pursuant to Cal. Revenue and Taxation code § 4808 and for Claim for Refund Pursuant to Revenue and Taxation Code § 5097." If the court sustains Defendant Lynch's Demurrer but denies his request that plaintiff not be permitted leave to amend, plaintiff proposes to file and serve this complaint.

4. On December 28, 1989, plaintiff filed several declarations in support of her motion for declaratory judgment and claim for refund. These declarations are cited throughout plaintiff's opposition to the demurrer because they provide factual support for her request for leave to amend her complaint if the demurrer is sustained. For the convenience of the court, true and correct copies of the following declarations are attached hereto: Declaration of Manuel Estrada (12/17/89), Declaration of Ken Kirshner (12/21/89), Declaration of Stephanie Nordlinger (12/21/89), Declaration of Robyn Phillips (12/23/89), and Declaration of Catherine Rich (12/28/89). The Declaration of David Gold executed on December 28, 1989 is attached to the Declaration of David Gold executed on January 22, 1990 and filed in opposition to defendant John J. Lynch's Demurrer to Plaintiff's Amended Complaint.

Executed this 22nd day of January, 1990 at Los Angeles, California.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

\_\_\_\_\_/s/\_\_\_\_\_  
Mary Louise Cohen

\* \* \*

[CERTIFICATE OF SERVICE Omitted in Printing]

\* \* \*

**[EXHIBIT A]**  
**SUPERIOR COURT OF THE STATE OF CALIFORNIA**  
**FOR THE COUNTY OF LOS ANGELES**

Civil No. C738781

[TITLE Omitted in Printing]

[FILED  
as an Exhibit only  
January 22, 1990]

**[PROPOSED] SECOND AMENDED COMPLAINT FOR  
DECLARATORY RELIEF PURSUANT TO  
CALIFORNIA REVENUE & TAXATION CODE § 4808  
AND FOR REFUND OF PROPERTY TAXES  
PURSUANT TO CALIFORNIA REVENUE  
AND TAXATION CODE § 5097**

Plaintiff alleges:

**INTRODUCTION**

1. This action challenges the constitutionality of Article XIII A of the California Constitution. Plaintiff seeks (a) a judgment under section 4808 of the Revenue and Taxation Code declaring that the provisions of Article XIII A of the California Constitution, which result in owners of similarly situated real properties being subject to widely disparate real property taxes, violate the equal protection guarantees of the state and federal constitutions; and (b) a refund under section 5097 of the Revenue and Taxation Code of property taxes unlawfully collected from plaintiff pursuant to Article XIII A.

2. Before 1978, California law mandated the use of a method used in many jurisdictions for assessing and

taxing real property. It required that real property be taxed according to its current fair market value. As a result, property was periodically reassessed so that owners of similarly situated properties paid approximately the same amount of ad valorem real property taxes.

3. In 1978, Article XIII A (popularly called Proposition 13) was added by initiative to the California Constitution. Article XIII A limits the maximum ad valorem tax rate on real property to 1% of its so-called "full cash value." Article XIII A defines "full cash value" in one of two ways: for individuals who have owned the same property continuously since 1975, "full cash value" equals the assessed value of the property as of the 1975-76 tax year. For those who purchase, newly construct or otherwise acquire property after the 1975-76 tax year, "full cash value" equals the property's fair market value when purchased, newly constructed, or when a change in ownership occurs. Article XIII A also provides that the "full cash value base" may reflect "from year to year" an inflationary rate not to exceed 2%.

4. Because inflation, measured by the Consumer Price Index for Los Angeles, has risen more than 2% every year but one since 1978 (specifically, in chronological order the rate of inflation from 1978 to 1988 has been 7.0%, 11.4%, 8.2%, 5.4%, 1.8%, 4.5%, 4.8%, 3.5%, 4.6% and 5.4%) and property values have risen much more rapidly than 2% a year since Article XIII A was adopted (today the median price of a home in Los Angeles County is approximately \$225,000), the provisions of Article XIII A which freeze a person's property tax according to the date the property was acquired or newly constructed establish a system that invidiously and routinely discriminates against recent property owners



in favor of longtime property owners. Such a discriminatory system has been labeled a "welcome stranger" system because longtime property owners who had the capacity to own and hold property at an earlier date enjoy low property taxes while newcomers to the same neighborhood are taxed at much higher levels.

5. On September 22, 1978 in *Amador Valley Joint Union High School District v. State Board of Equalization*, 22 Cal.3d 208 (1978), the California Supreme Court upheld Article XIII A against a "facial" challenge that it violated constitutional equal protection guarantees. No evidence of actual disparate tax treatment for owners of similarly situated properties was presented to the Court, and the decision was not appealed to the United State Supreme Court. Since this decision, several California courts have upheld Article XIII A against other equal protection challenges.

6. On January 18, 1989, in *Allegheny Pittsburgh Coal Company v. County Commission of Webster County, West Virginia*, 109 S.Ct. 633 (1989), the United States Supreme Court invalidated a tax assessment system which used a "welcome stranger" provision similar to that contained in Article XIII A. Under the challenged scheme, a property was generally reassessed only when that property was sold. Because this West Virginia assessment system resulted in the owners of similarly situated properties paying widely divergent tax bills, the Court concluded that it violated the Equal Protection Clause of the 14th Amendment to the United States Constitution.

7. The discriminatory impact of the unlawful Webster County, West Virginia system is indistinguishable from that of Article XIII A's "welcome stranger" provision as applied in 1989, and this new Supreme Court case

provides compelling authority that Article XIII A's tax assessment system as applied in 1989 is unconstitutional.

8. Proposition 13 prescribes how the defendant and all other California county tax assessors may value real property and prohibits the defendant assessor from assigning a value to plaintiff's property that corresponds with the assessed values of comparable properties. Unless those provisions of Proposition 13 which result in discriminatory assessments are declared to be unlawful, plaintiff's property and all other real property in Los Angeles County and the State of California will continue to be assessed in a manner that violates state and federal constitutional equal protection guarantees.

#### **PARTIES**

9. Plaintiff Stephanie Nordlinger owns and resides in the home located at 3933 S. Sycamore Avenue in the City of Los Angeles in Los Angeles County.

10. Defendant John J. Lynch is the tax assessor for Los Angeles County. He is responsible for the tax assessment of real property in Los Angeles County in accordance with Article XIII A's welcome stranger method. Defendant Lynch, as the Los Angeles County assessor, is specified as the proper defendant in a declaratory judgment action alleging an unconstitutional assessment brought pursuant to § 4808 California Revenue and Taxation Code.

11. Defendant Los Angeles County is a political subdivision of the State of California and collected, received and holds the property taxes unlawfully assessed against and collected from defendant.

#### **TAX ASSESSMENT OF 3933 S. SYCAMORE**

12. On November 1, 1988, plaintiff purchased the house and lot located in the "Baldwin Hills" neighbor-



hood at 3933 S. Sycamore Avenue in Los Angeles County, for \$170,000. This property is described by the Los Angeles County Assessor's office as Tract No. 13372, Lot 110. Before her purchase of 3933 S. Sycamore, plaintiff had never owned real property in the State of California. Consequently, she had never been assessed any real property taxes nor had she paid any real property taxes.

13. Plaintiff's property is part of a tract of single family homes developed and built in 1947 by the Baldwin Hills Development Company. Today, the neighborhood still consists of moderately priced single family homes. While some residents have owned their homes for twenty years or more, many Baldwin Hills residents, like plaintiff, are newcomers.

14. Plaintiff's lot at 3933 S. Sycamore is 8200 square feet, and her house contains 1114 square feet. Her house contains three bedrooms and one bathroom. Plaintiff's house has not been enlarged since it was built, but a 14 by 18 foot storage room was added to the back of the garage in 1966. This addition was assessed at \$750 at that time.

15. The previous owners of 3933 S. Sycamore were Nancy and Derek Smith who purchased the property in 1986 for \$121,500. Under Article XIII A's provisions while the Smiths owned the property its "current assessed value" was based on the Smiths \$121,500 purchase price plus the 2% inflation adjustment.

16. The Smiths' 1988-89 tax bill for 3933 S. Sycamore included a "General Tax Levy" of \$1,264.08 (1% of \$121,500 plus an inflation adjustment for two years of \$4,908). The tax bill also included \$48.26 in "Voted

Indebtedness" and \$71.12 in "Direct Assessments" for a total yearly real property tax bill of \$1,383.46 due in two installments of \$691.73.

17. When plaintiff purchased 3933 S. Sycamore from the Smiths, the real estate taxes for the first half of fiscal year 1988-89 (July through December of 1988) were prorated between plaintiff and the Smiths and were paid when the property was transferred.

18. In February of 1989, plaintiff received a Joint Consolidated Duplicate Tax bill from the Los Angeles County Tax Collector which listed the second installment of the 1988-89 fiscal year taxes on 3933 S. Sycamore at \$691.73. That bill continued to show the "current assessed value" and "taxable value" of the property based on the Smiths' 1986 purchase price of \$121,500 plus the 2% inflation adjustment.

19. In February or early March of 1989, plaintiff received a Notice of Assessed Value Change from the Los Angeles County Tax Assessor. Pursuant to Article XIII A's "welcome stranger" provision, because the property had changed hands, it had been reassessed to \$170,100. This increase of \$43,692 represented the difference between the \$170,000 price plaintiff paid for the property and the \$121,500 price paid for it by the prior owners plus the 2% annual inflation adjustment (plus an billing error of \$100).

20. In March of 1989, plaintiff received a Joint Consolidated Supplemental Tax bill for 3933 S. Sycamore from the Los Angeles County Tax Collector which reflected the reassessment of plaintiff's property mandated by Article XIII A's "welcome stranger" provision. The bill informed plaintiff that the annual tax total had been increased by \$453.60 (\$436.92 general tax levy and \$16.68 voted indebtedness). Because

plaintiff had owned the property for only part of the 1988-89 fiscal year, the supplemental tax was prorated. The additional \$263.08 plaintiff was billed brought the general tax levy on 3933 S. Sycamore up to \$1,701 on an annualized basis. The bill stated that "This supplemental assessment is in compliance with Article XIII A of the California Constitution. It reflects the increase in your property taxes due to change in ownership occurring 11-01-88."

21. The first installment of this supplemental tax bill was due on April 30, 1989. The second installment was due August 31, 1989.

22. On April 10, 1989, plaintiff paid "under protest" the Joint Consolidated Tax bill of \$691.73 for the second installment of the 1988-89 taxes (based on the tax which would have been owed by the Smiths). At that time plaintiff filed a verified Application for Reduction of Assessment with the County of Los Angeles Assessment Appeals Board appealing both the assessment reflected in the February Joint Consolidated Duplicate Tax bill and that reflected in the March Joint Consolidated Supplemental Tax bill. The principal ground cited by plaintiff for the Application for Reduction of Assessment was that the assessment violates the equal protection guarantees of the United States and California Constitutions. A copy of the Verified Application for Reduction of Assessment is attached as Exhibit A.

23. As indicated on the verified Application for Reduction of Assessment, the fair assessed value of plaintiff's property, taking into account the assessment of comparable properties in plaintiff's neighborhood, is \$30,000. Based on such an assessment, plaintiff's general tax levy for the tax year 1988-89 would have been \$300. Because plaintiff owned the property for only 8 months

of that tax year, her tax bill based on such a general tax levy would have been \$200. Instead, plaintiff paid \$1096.05 in general tax levy taxes (\$842.64 based on the Joint Consolidated Tax bill for the entire year plus \$253.41 based on the Joint Consolidated Supplemental tax bill for 1988-89).

24. On April 28, 1989, plaintiff paid "under protest" the first installment of the Joint Consolidated Supplemental Tax bill (representing the additional tax owed because her purchase price for 3933 S. Sycamore exceeded the purchase price paid by the Smiths) and on August 28, 1989, plaintiff paid "under protest" the second installment of the Joint Consolidated Supplemental Tax bill.

25. On July 17, 1989, a hearing officer for the Los Angeles County Board of Assessment Appeals denied plaintiff's Application for Reduction of Assessment and granted plaintiff's request that she be permitted to amend her verified Application for Reduction of Assessment to show that it was also a Claim for Refund.

26. On October 25, 1989, the Los Angeles County Board of Assessment Appeals denied plaintiff's Application for Reduction of Assessment and Claim for Refund.

27. No refund of the taxes paid by plaintiff, or any part thereof has been made to plaintiff or to anyone acting on her behalf.

#### **UNEQUAL ASSESSMENT AND TREATMENT OF SIMILARLY SITUATED PROPERTIES**

28. The 3800 and 3900 blocks of S. Sycamore Avenue contain 34 homes in addition to plaintiff's. The lot sizes for these 34 homes range from 7,600 to 10,400 square feet, and the size of the houses ranges from 1114 square



feet (like plaintiff's house) to 2742 square feet. Most of these houses, like 3933 S. Sycamore, retain the uniform character of the original 1947 tract development.

29. Information contained in the files of the Los Angeles County Tax Assessor indicates that, pursuant to Proposition 13's "welcome stranger" assessment provision, gross disparities exist in the assessed value of these generally comparable properties. These gross disparities discriminate against plaintiff as a newcomer to the neighborhood. For example:

a. A three bedroom, two bathroom house next door to plaintiff is on a lot 10% larger than plaintiff's, and contains 100 more square feet. It is assessed at \$36,878, based on its 1975 valuation. The owner of this two bathroom house on a larger lot is subject to a general tax levy of only \$368, about one fifth of the \$1700 plaintiff is charged.

b. A three bedroom, one bathroom single family house one block from the plaintiff's house is on a lot which is 900 square feet larger than plaintiff's lot, while the house contains square footage precisely equal to plaintiff's. It is assessed at \$35,820 based on its 1975 valuation. As a result, plaintiff's neighbor, who lives in that house on property substantially similar to (but larger than) plaintiff's, is subject to a general tax levy of only \$358.20. In contrast, the general tax levy assigned to plaintiff's property (\$1,701) is almost five times higher; and

c. Another three bedroom, one bathroom single family house in plaintiff's block on S. Sycamore is on a lot which is 9240 square feet (1040 square feet larger than plaintiff's lot), while the house contains 1158 square feet (44 square feet larger than

plaintiff's house). However, this larger house on a larger lot on the same block is assessed at \$36,107 based on its 1975 valuation, and the general tax levy is only \$361.07. Again, plaintiff's annual property tax is nearly five times that paid by her neighbor.

30. The property tax disparity between home buyers in plaintiff's neighborhood is even greater in 1989, increasing from almost 5 to 1 for 1988 home buyers, to 6 to 1 for 1989 home buyers.

31. In 1978, immediately after the adoption of Article XIII A, the tax disparity created by Article XIII A's "welcome stranger" provision between similar properties purchased in 1978 and those owned since 1975-76 was approximately 1.4 to 1. Today, in 1989, that disparity averages at least 5 to 1 in Los Angeles County, while in certain neighborhoods the post- Article XIII A disparities between property tax assessments for similarly situated properties are as great as 250 to 1, 500 to 1, and more. This same pattern of discrimination against more recent property owners prevails throughout the state of California.



32. The chart below (which is based on information obtained from the rolls of the Los Angeles County Assessor's Office and verified by extensive studies) provides examples of dramatic tax inequities between longtime owners and recent purchasers of comparable single family homes in neighborhoods throughout Los Angeles County:

NEIGHBORHOOD	1989 PROP- ERTY ASSESS- MENTS: 1975- 76 PROPERTY	NEIGHBORHOOD	1989 PROP- ERTY ASSESS- MENTS: 1975- 76 PROPERTY
	TAX ASSESS- MENTS		TAX ASSESS- MENTS
SANTA MONICA (Ocean Park)	17:1	PALMS	10:1
VENICE (Oakwood)	15:1	SILVERLAKE	10:1
BEL AIR	13:1	SANTA CLARITA	10:1
VENICE (Walk Streets)	13:1	LOS ANGELES (Mid-City)	10:1
SHERMAN OAKS	12:1	GRANADA HILLS	10:1
CERRITOS	12:1	S. PASADENA	10:1
ARCADIA	12:1	BOYLE HEIGHTS	10:1
WESTWOOD	12:1	POMONA	10:1
MALIBU	12:1	SUNLAND	10:1
PACIFIC PALISADES	12:1	EAGLE ROCK	10:1
BEVERLY HILLS	12:1	MONROVIA	9:1
W. LOS ANGELES (Rancho Park)	12:1	GLENDORA	9:1
BRENTWOOD	11:1	GREEN VALLEY	9:1
HOLMBY HILLS	11:1	HANCOCK PARK	9:1
GLENDALE	11:1	LOS ANGELES (Coliseum Area)	9:1
EL MONTE	11:1	MAR VISTA	9:1
SOUTH GATE	11:1	REDONDO BEACH	9:1
SAN GABRIEL	11:1	HUNTINGTON PARK	9:1
GRIFFITH PARK	11:1	HYDE PARK	9:1
PASADENA	11:1	PARK LA BREA	9:1
PALOS VERDES	10:1	ALHAMBRA	9:1
LONG BEACH	10:1	WEST HILLS	9:1
ENCINO	10:1	LINCOLN PARK	9:1
SAN PEDRO	10:1	MANHATTAN BEACH	9:1
HOLLYWOOD HILLS	10:1	SANTA MONICA (Montana Avenue)	9:1
		BALDWIN HILLS	7:1

33. These disparities in tax assessment create gross differences in the tax payments made by owners of comparable properties. The chart below provides examples of actual pairs of comparable homes and calculates the vastly different tax bills paid by owners of these comparable properties:

NEIGHBORHOOD OF HOMES	CURRENT MARKET VALUE	RATIO OF TAX ON NEW OWNER TO TAX ON PRE-1975 OWNER		
		TAX ON NEW OWNER	TAX ON PRE-1975 OWNER	
VENICE	\$ 335,000	\$ 3,350	\$ 260	13:1
BEVERLY HILLS	3,800,000	38,000	3,230	12:1
MANHATTAN BEACH	630,000	6,300	680	9:1
SANTA MONICA	1,000,000	10,000	1,140	9:1
MAR VISTA	425,000	4,250	520	8:1
LONG BEACH	345,000	3,450	420	8:1
BOYLE HEIGHTS	129,000	1,290	170	8:1
SAN GABRIEL	270,000	2,700	450	6:1
GLENDALE	325,000	3,250	490	7:1
BALDWIN HILLS (View Park)	310,000	3,100	500	6:1
BALDWIN HILLS (Plaintiff's Area)	210,000	2,100	360	6:1
VAN NUYS	270,000	2,700	420	6:1
COMPTON	90,000	900	180	5:1
WATTS	80,000	800	160	5:1

34. Recent purchasers of Los Angeles County vacant lots are also taxed at levels grossly higher than longtime owners of similarly situated properties. In some instances these disparities run as high as 500:1, with disparities of 30:1 or more being common. The chart below provides examples of the disparities in the taxes assessed against owners of similarly situated vacant lots:

**PROPERTY TAX ASSESSMENTS  
BASED ON 1989 PURCHASE  
PRICE: PROPERTY TAX  
ASSESSMENTS BASED  
ON 1975-76 VALUES**

LOCATION	
PACIFIC PALISADES	583:1
PACIFIC PALISADES	252:1
BEVERLY GLEN CANYON/LA	108:1
LAUREL CANYON/LA	93:1
MALIBU	85:1
BEL AIR	53:1
LAUREL CANYON/LA	48:1
BEVERLY HILLS	47:1
BEVERLY HILLS	41:1
LAUREL CANYON/LA	28:1
LAUREL CANYON/LA	27:1

35. Recent purchasers of Los Angeles County apartment buldings and commercial and industrial income-producing properties are also charged taxes considerably in excess of those paid by longtime owners of the same or similar properties. The chart below provides examples of such disparities.

**APARTMENTS**

NEIGHBORHOOD	RATIO
BRENTWOOD	10:1
WEST HOLLYWOOD	9:1
HUNTINGTON PARK	9:1
ARCADIA	9:1
SOUTH GATE	9:1
HANCOCK PARK	9:1

**LIGHT INDUSTRIAL**

NEIGHBORHOOD	RATIO
FLORENCE	11:1
PALMDALE	10:1
WATTS	9:1
EL MONTE	8:1
VAN NUYS	7:1

**STORE BUILDINGS**

NEIGHBORHOOD	RATIO
CULVER CITY	11:1
DOWNTOWN LA	10:1
SOUTHGATE	9:1
GLENDALE	8:1
LONG BEACH	7:1

**OFFICE BUILDINGS**

NEIGHBORHOOD	RATIO
MONROVIA	8:1
SAN PEDRO	8:1
LA MID-CITY SECTION	7:1
COMMERCE	7:1
COMPTON	7:1

**GARAGES**

NEIGHBORHOOD	RATIO
COMPTON	10:1
SOUTH LOS ANGELES	8:1
UNIVERSAL CITY	6:1
GLENDALE	6:1
DOWNTOWN LOS ANGELES	6:1

**RESTAURANTS**

<b>NEIGHBORHOOD</b>	<b>RATIO</b>
UNIVERSAL CITY	9:1
INGLEWOOD	8:1
TEMPLE CITY	6:1
STUDIO CITY	6:1
WHITTIER	6:1

36. As property values increase in the future, the discriminatory impacts of Article XIII A's "welcome stranger" provision, which requires the systematic undervaluation of comparable properties, will magnify the current disparities between tax assessments of similarly situated properties. For example, if the average annual rate of growth in the assessed value of properties in plaintiff's neighborhood since 1975 continues, the disparity in tax assessments for similarly situated properties by 1999 will be approximately 22:1. In Watts the disparity will be 16:1, in San Gabriel it will be 35:1, in Beverly Hills it will be 71:1 and in Venice it will be 81:1.

37. In addition to subjecting owners of comparable properties to very different tax burdens, Article XIII A imposes like tax burdens on owners of properties which vary dramatically in value. For example, the owner of a spacious 7800 square foot, seven bedroom Beverly Hills mansion on a prime 28,000 square foot lot pays a general tax levy virtually equal to that paid by the owner of a tiny 980 square foot Venice home on an urban lot located more than a mile from the beach. Similarly, plaintiff pays a general tax levy on her modest Baldwin Hills home almost equal to that paid last year by the owner of a \$2.1 million Malibu beachfront home.

38. Because Article XIII A discriminates against new home purchasers in favor of longtime homeowners, it discourages and penalizes individuals who wish to move to California from any other state. It also penalizes individuals who wish to purchase a new house and move within the State. Most people move out of necessity because, for example, they marry, divorce, a spouse dies, the size of the family increases or they change jobs. Similarly, Article XIII A penalizes those individuals who were not old enough to own property in 1975 and those who were not financially capable of owning property in 1975.

39. Article XIII A was promoted as a means to cut back on wasteful government spending while making California taxes fair, equal, and within the ability of taxpayers to pay. These objectives could have been achieved without imposing unfair and unequal tax burdens on California property owners. Instead, Article XIII A has created an arbitrary system which inequitably assigns grossly disparate real property tax burdens on owners of generally comparable and similarly situated properties without regard to the use of the real property taxed, the burden the property places on government, the actual value of the property or the financial capability of the property owner.

**FIRST CAUSE OF ACTION  
FOR DECLARATORY RELIEF AGAINST  
DEFENDANT JOHN J. LYNCH**

40. Plaintiff realleges and incorporates by reference paragraphs 1 through 39 of this complaint.

41. California Revenue & Taxation Code § 4808 specifies that a declaratory judgment action may be filed within 30 days of the delinquency date of a tax bill



to challenge an unconstitutional assessment providing such action is filed within 12 months of a change in law which renders such assessment unconstitutional.

42. Plaintiff claims and contends that Article XIII A's welcome stranger provisions result in gross and inequitable disparities in tax assessments for similarly situated properties; that, by law, Article XIII A forbids the seasonable reappraisal of such similarly situated parcels to bring them into conformity with current market values, except when sale or construction allows such reappraisal and except for a paltry 2% annual allowable readjustment and that Article XIII A thereby violates the equal protection clause of the federal constitution, all as alleged in more detail above. Plaintiff further claims and contends that Article XIII A violates the equal protection clause because it infringes freedom of mobility and interstate travel with no compelling state interest. Plaintiff is informed and believes, and on the basis of such information and belief, alleges that defendants claim and contend in all respects to the contrary.

**SECOND CAUSE OF ACTION FOR REFUND OF  
PROPERTY TAXES AGAINST DEFENDANT  
LOS ANGELES COUNTY**

43. Plaintiff realleges and incorporates by references paragraphs 1 through 39 of this complaint.

44. Los Angeles County could achieve the same amount of revenue from the general property tax levy as that obtained under the current Article XIII A system if it lowered the tax rate to .44% of assessed value and assigned an assessed value to all Los Angeles County real estate that truly reflected its current market value.

45. Plaintiff owned her home for eight months of the 1989 tax year, and so her tax bill based on \$1700 for a full year was \$1133.33. Her fair share of general property taxes for the year should have been 44% of \$1133 or \$498.67. Defendant Los Angeles County thus owes Plaintiff a refund of property taxes for the tax year 1988-89 in the amount of \$634.66.

**PRAYER FOR RELIEF**

WHEREFORE, plaintiff prays for judgment as follows:

1. That the court issue its declaratory judgment that Article XIII A of the Constitution of California is invalid insofar as it requires that owners of similarly situated properties be taxed disparately in the manner alleged above;
2. That this court declare that the tax assessment of plaintiff's property at 3933 S. Sycamore at \$170,000 is invalid as alleged above;
3. That defendant Los Angeles County be required to refund to plaintiff the sum of \$634.66 together with interest;
4. That this court grant plaintiff her costs and reasonable attorneys fees; and
5. That the Court grant such other and further relief as it finds just and proper.

DATED: January —, 1990

CARLYLE W. HALL, JR.  
MARY LOUISE COHEN  
ANN E. CARLSON  
Hall & Phillips

---

by Carlyle W. Hall, Jr.  
Attorneys for Plaintiff

\* \* \*

[(Unsigned) VERIFICATION Omitted in Printing;

The following Exhibits to the Cohen Declaration are  
Omitted in Printing:

ESTRADA DECLARATION;  
KIRSHNER DECLARATION;  
NORDLINGER DECLARATION;

The PHILLIPS DECLARATION is reproduced  
at 33-48 of this Joint Appendix;

The RICH DECLARATION is reproduced  
at 49-53 of this Joint Declaration]

\* \* \*

**SUPERIOR COURT OF THE STATE OF CALIFORNIA  
FOR THE COUNTY OF LOS ANGELES**

**Civil No. C 738 781**

[TITLE Omitted in Printing]

[ORIGINAL FILED  
January 22, 1990]  
COUNTY CLERK]

**DECLARATION OF DAVID GOLD IN SUPPORT OF  
MEMORANDUM OF POINTS AND AUTHORITIES IN  
OPPOSITION TO GENERAL DEMURRER OF  
DEFENDANT JOHN J. LYNCH TO PLAINTIFF'S  
AMENDED COMPLAINT**

Date: January 29, 1990

Time: 9:00 a.m.

Dept. 36

I, David Gold declare:

**Background**

1. On December 28, 1989, I executed a declaration in support of plaintiff's motion for declaratory judgment and claim for refund, a true and correct copy of which is attached as Exhibit A and incorporated herein by reference. This declaration, filed in December 28, 1989, describes the results of an economic study I performed to determine the magnitude of property tax disparities between comparable real properties in Los Angeles County.

2. The purpose of this Supplemental Declaration is to describe other real property tax disparities in Los

Angeles County identified since the December 28, 1989 declaration was filed with the court.

### **Single Family Homes**

3. Using data supplied to Damar Real Estate Information Service by the Los Angeles County Assessor's Office and the Los Angeles County Recorder, I retrieved from the Damar data (1) a description of every single family residence that sold in Los Angeles County in August, 1989 for which Damar had a verified sale price; and (2) a description of every single family residence sold from June, 1989 through December, 1989 for which Damar had a verified sales price in 10 separate areas, each representing a page in the Thomas Guide for Los Angeles County. See Declaration of Ralph James executed January 18, 1990 in Opposition to Defendant John J. Lynch's General Demurrer.

4. I compared the tax assessment prior to the 1989 sale to the 1989 sales price (upon which the post-sale assessment will be based). Based on this comparison, I used my computer to calculate the ratio of the post-sale assessment to the pre-sale assessment for each single family residential property and to sort the properties according to the magnitude of this ratio.

5. Attached as Exhibit B are examples of the single family residential sales so identified where the ratio of post-sale assessment to pre-sale assessment is 8:1 or higher. These ratios ranged as high as 17:1 in the Ocean Park section of Santa Monica, and were commonly 11:1 and 12:1 throughout Los Angeles County. For example, a small two bedroom house in Santa Monica previously assessed at \$27,000 was recently purchased for \$465,000. The new owner's general tax levy (which is 1% of the purchase price) will be \$4,650 or 17 times higher than

the \$270 tax bill paid last year by the seller. Similarly, a neighboring two bedroom house previously assessed at \$32,519 recently sold for \$560,000. The new owner's general tax of \$5,600 is also 17 times higher than the \$325 tax paid by the seller. Likewise, the prior owner of a 7400 square foot Bel Air mansion was previously assessed at only \$395,000, while the new owner's assessment will be his purchase price of \$5,250,000, which is over 13 times as high. And, the new owner of a modest 928 square foot house in Cerritos assessed at \$300,000, pays not much less than the prior owner of the Bel Air mansion, and 12 times as much as the tax on the \$25,725 prior assessment on his house's seller. As a final example, the buyer of a three bedroom Sherman Oaks house will pay \$6,900 general tax on his new \$690,000 assessment, which is more than 12 times the \$560 per year the prior owner paid based on a \$56,000 prior assessment. The printouts from the Los Angeles County Assessor's Office describing each of these four properties is attached as Exhibit C.



6. The chart below lists those neighborhoods where I found disparities of 9:1 or more:

NEIGHBORHOOD	1989 PROP- ERTY ASSESS- MENTS: 1975- 76 PROPERTY	NEIGHBORHOOD	1989 PROP- ERTY ASSESS- MENTS: 1975- 76 PROPERTY
	TAX ASSESS- MENTS		TAX ASSESS- MENTS
SANTA MONICA (Ocean Park)	17:1	PALMS	10:1
VENICE (Oakwood)	15:1	SILVERLAKE	10:1
BEL AIR	13:1	SANTA CLARITA	10:1
VENICE (Walk Streets)	13:1	LOS ANGELES (Mid-City)	10:1
SHERMAN OAKS	12:1	GRANADA HILLS	10:1
CERRITOS	12:1	S. PASADENA	10:1
ARCADIA	12:1	BOYLE HEIGHTS	10:1
WESTWOOD	12:1	POMONA	10:1
MALIBU	12:1	SUNLAND	10:1
PACIFIC PALISADES	12:1	EAGLE ROCK	10:1
BEVERLY HILLS	12:1	MONROVIA	9:1
W. LOS ANGELES (Rancho Park)	12:1	GLENDORA	9:1
BRENTWOOD	11:1	GREEN VALLEY	9:1
HOLMBY HILLS	11:1	HANCOCK PARK	9:1
GLENDAL	11:1	LOS ANGELES (Coliseum Area)	9:1
EL MONTE	11:1	MAR VISTA	9:1
SOUTH GATE	11:1	REDONDO BEACH	9:1
SAN GABRIEL	11:1	HUNTINGTON	9:1
GRIFFITH PARK	11:1	PARK	
PASADENA	11:1	HYDE PARK	9:1
PALOS VERDES	10:1	PARK LA BREA	9:1
LONG BEACH	10:1	ALHAMBRA	9:1
ENCINO	10:1	WEST HILLS	9:1
SAN PEDRO	10:1	LINCOLN PARK	9:1
HOLLYWOOD HILLS	10:1	MANHATTAN	9:1
		BEACH	

Attached as Exhibit D are printouts from the Los Angeles County Assessor's Office and a copy of the Damar data describing these additional properties where the disparity is 11:1 or more.

7. The tax disparities between buyers and sellers of these recently resold properties closely mirror the disparities between pre-1975 owners and post-1989 purchasers of similarly situated properties in a cross section of Los Angeles County neighborhoods.<sup>1</sup> This similarity is shown on the chart below.

NEIGHBORHOOD	TAX PAID BY 1989 PURCHASES COMPARED TO TAX PAID BY PRE-1975 OWNER OF COMPARABLE PROPERTY	TAX PAID BY 1989 PURCHASER COMPARED TO TAX PAID BY SELLER
VENICE (Walk Streets)	13:1	13:1
SANTA MONICA (Montana Area)	9:1	9:1
LONG BEACH (Marina)	8:1	7:1
MAR VISTA	8:1	8:1
BOYLE HEIGHTS	8:1	7:1
BALDWIN HILLS (Plaintiff's Area)	6:1	5:1
WATTS	5:1	4:1

<sup>1</sup>The method by which these comparable of homes were selected is described in paragraphs 15 through 21 the declaration I executed on December 28, 1989 in support of plaintiff's motion for declaratory judgment and claim for refund attached as Exhibit A.

### Vacant Lots

7. Using data supplied to Damar by the Los Angeles County Assessor's Office and the Los Angeles County Recorder, I retrieved from the Damar data, a description of all vacant lots sold from March, 1989 through December, 1989 for which Damar had a verified sales price in 10 separate areas on the Westside of Los Angeles County, each representing a page in the Thomas Guide for Los Angeles County.

8. I then compared the previous assessment (prior to the 1989 sale) to the new sales price (upon which the post-sale assessment will be based). Based on this comparison, I again used my computer to calculate the ratio of the post-sale assessment to the pre-sale assessment for each such property and to sort the properties according to the magnitude of this ratio.

9. The disparities between the real estate taxes charged to the new buyer and those paid by the seller for exactly the same piece of vacant property ranged up to 583:1 and 252:1 in the Pacific Palisades. In an area stretching from Laurel Canyon to Bel Air I found disparities from 40:1 to more than 100:1 for six lots sold in this one ten month period. See Declaration of Alexander H. Pope executed January 21, 1990.

10. The survey described in paragraph 11 above also revealed that many other 1989 purchasers of Los Angeles County real properties would be paying property taxes 30 to 50 or more times higher than the taxes paid by the sellers for exactly the same parcels. The chart below displays examples of these disparities:

### VACANT LOTS

LOCATION	ASSESSORS PARCEL NUMBER	AREA IN SQUARE FEET	1989 SALE PRICE	ASSESS- MENT BEFORE SALE	RATIO OF NEW ASSESSMENT TO PRIOR ASSESSMENT
PACIFIC PALISADES	4415-033-001	47,916	\$355,000	\$ 609	583:1
PACIFIC PALISADES	4416-021-024 4416-021-025 <sup>2</sup>	9,930	\$260,000	\$ 1,010	252:1
BEVERLY GLEN CANYON/LA	4380-021-023 4380-021-024 4380-021-025	7,485	\$ 50,000	\$ 465	108:1
LAUREL CANYON/LA	5569-025-015	13,710	\$350,000	\$ 3,782	93:1
MALIBU	4452-025-005	87,093	\$500,000	\$ 5,873	85:1
BEL AIR	4368-003-005	8,712	\$345,000	\$ 6,625	53:1
LAUREL CANYON/LA	5564-010-019	6,160	\$ 75,000	\$ 1,560	48:1
BEVERLY HILLS	4355-006-049	8,494	\$240,000	\$ 5,088	47:1
BEVERLY HILLS	4355-009-014	136,778	\$359,000	\$ 8,747	41:1
LAUREL CANYON/LA	5556-024-006	5,551	\$130,000	\$ 4,590	28:1
LAUREL CANYON/LA	5556-029-008	11,590	\$300,000	\$11,229	27:1

Attached as Exhibit E are printouts from the Los Angeles County Assessor's Office and/or the Damar data describing these properties. Disparities for many other

<sup>2</sup>Where the 1989 transaction included multiple parcels for one sale price, the parcels appear on the chart as a group.

lots in this same area ranged from 10:1 to 79:1. Attached as Exhibit F is a list of such lots.

11. The Damar data also indicates that there are numerous properties similarly situated to these recent 1989 resales that still retain their 1975 base year assessment. Consequently, these 1975 base year properties continue to be assessed and taxed at a very small fraction of these 1989 resales.

#### **Commercial and Industrial Properties**

12. I retrieved from the Damar data a description of every sale of commercial or industrial property in Los Angeles County for which a verified sales price was available from June through December of 1989. I then sorted this list according to the land use, and, utilizing the techniques described in paragraph 3 above, calculated the disparities between the real estate taxes paid by the sellers and those that would be owed by the new buyers.

13. The ratio of disparity between the tax levied on the new purchasers and that paid by the sellers commonly ranged from 8:1 to 10:1 and above throughout the county. This chart below provides examples of the disparities I found for a variety of types of commercial properties.

#### **LIGHT INDUSTRIAL**

<b>NEIGHBORHOOD</b>	<b>RATIO</b>
FLORENCE	11:1
PALMDALE	10:1
WATTS	9:1
EL MONTE	8:1
VAN NUYS	7:1

#### **STORE BUILDING**

<b>NEIGHBORHOOD</b>	<b>RATIO</b>
CULVER CITY	11:1
DOWNTOWN LA	10:1
SOUTH GATE	9:1
GLENDALE	8:1
LONG BEACH	7:1

#### **OFFICE BUILDINGS**

<b>NEIGHBORHOOD</b>	<b>RATIO</b>
MONROVIA	8:1
SAN PEDRO	8:1
LA MID-CITY SECTION	7:1
COMMERCE	7:1
COMPTON	7:1

#### **GARAGES**

<b>NEIGHBORHOOD</b>	<b>RATIO</b>
COMPTON	10:1
SOUTH LOS ANGELES	8:1
UNIVERSAL CITY	6:1
GLENDALE	6:1
DOWNTOWN LOS ANGELES	6:1

#### **RESTAURANTS**

<b>NEIGHBORHOOD</b>	<b>RATIO</b>
UNIVERSAL CITY	9:1
INGLEWOOD	8:1
TEMPLE CITY	6:1
STUDIO CITY	6:1
WHITTIER	6:1



14. Again, the Damar data indicates that there are numerous properties similarly situated to these recent 1989 resales that still retain their 1975 base year assessment. Consequently, these 1975 base year properties continue to be assessed and taxed at a small fraction of these 1989 resales.

#### **Apartment Buildings**

15. I also retrieved from the Damar data a description of every sale of residential income property of five units or more in Los Angeles County for which a verified sales price was available from August through December of 1989. I then sorted this list according to the land use, and utilizing the techniques described in paragraph 3 above and calculated the disparities between the real estate taxes paid by the sellers and those that would be owed by the new buyers. Attached as Exhibit G is a description of those apartment buildings where the ratio of post-sale assessment to pre-sale assessment is 5:1 or higher.

15. The ratio of disparity between the tax levied on the new purchaser and that paid by the seller commonly ranged from 7:1 to 9:1 and above throughout the county. The chart below provides examples of these disparities:

#### **APARTMENTS**

<b>NEIGHBORHOOD</b>	<b>RATIO</b>
BRENTWOOD	10:1
WEST HOLLYWOOD	9:1
HUNTINGTON PARK	9:1
ARCADIA	9:1
SOUTH GATE	9:1
HANCOCK PARK	9:1

SUN VALLEY	8:1
KOREATOWN	8:1
NORTH HOLLYWOOD	8:1
LOS ANGELES (Downtown)	7:1
BURBANK	7:1
SHERMAN OAKS	7:1
GLENDORA	7:1
HAWTHORNE	7:1
WEST LOS ANGELES	7:1
EL MONTE	7:1
PASADENA	7:1
PARK LA BREA	7:1

16. The Damar data also indicates that there are numerous properties similarly situated to these recent 1989 resales that still retain their 1975 base year assessment. Consequently these 1975 base year properties continue to be assessed and taxed at a small fraction of these 1989 resales.

Executed this 22nd day of January, 1990 at Los Angeles, California.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

\_\_\_\_\_/s/\_\_\_\_\_  
David Gold

\* \* \*

[CERTIFICATE OF SERVICE Omitted in Printing;

EXHIBIT A (Dec. 28, 1989 Gold Declaration)  
is reproduced at 16-32 of this Joint Appendix]

\* \* \*

## [EXHIBIT B]:

[BUYER'S ASSESSMENT COMPARED  
TO SELLER'S ASSESSMENT][LOS ANGELES COUNTY]  
AUGUST [1989] RESIDENTIAL SALES

<u>Address</u>	<u>Grid</u>	<u>Price</u>	<u>Pre-Sale Assessment</u>	<u>Ratio</u>
317 Strand St	49-A2	465,000	28,074	17
126 Fraser Av	49-A2	560,000	32,519	17
3429 Kerckhoff	78-F6	405,000	30,953	13
214 S Oak Av	27-D4	200,000	16,185	12
4426 Ventura Ca	22-F3	690,000	56,036	12
303 S 2 Av	28-E5	562,000	47,542	12
19318 Bloomfiel	81-C2	300,000	25,725	12
13400 Mulhollan	22-F5	970,000	83,735	12
10913 Moorpark	23-E3	405,000	36,685	11
435 S Lapeer Dr	42-D2	660,000	60,740	11
1403 Shadyglen	18-E4	925,000	84,911	11
2624 Castle Hei	42-C4	529,000	48,430	11
3600 Yorkshire	28-A5	530,000	47,804	11
8203 Bell Av	58-E1	80,000	7,434	11
486 W Leroy Av	28-C6	575,000	54,075	11
3561 Cogswell R	47-F1	386,000	34,479	11
3050 Benedict C	22-E6	1,140,000	102,416	11
3822 Cogswell R	39-A6	400,000	36,569	11
255 S Greenwood	27-D4	265,000	24,154	11
364 S Virginia	27-E5	344,000	30,034	11
1403 Oxford Av	27-C1	204,500	18,536	11
218 S Lorraine	34-D6	1,150,000	104,769	11
2626 Highland A	49-B2	433,000	40,975	11
884 W 12 St	78-F4	249,000	25,725	10
9330 Bolton Rd	42-C3	800,000	81,512	10
1510 9 St	75-D4	415,000	43,103	10
4662 White Oak	21-E3	1,150,000	114,699	10
15 Genoa St	28-E5	331,000	34,607	10
196 Ximeno Av	76-B6	475,000	48,200	10
3760 Corta Call	28-B4	200,000	20,108	10
2621 Kerckhoff	78-F5	168,000	16,974	10
1642 Capistrano	18-E6	380,000	39,834	10
325 S Oak Av	27-D4	388,000	38,362	10
1271 N Catalina	27-B1	360,000	37,219	10
2071 Grace Av	34-B2	530,000	55,122	10
417 S Gladys Av	37-F3	135,000	14,097	10
3138 Barbydell	42-B5	740,000	71,741	10
1009 E 53 St	52-C3	125,000	12,660	10

<u>Address</u>	<u>Grid</u>	<u>Price</u>	<u>Pre-Sale Assessment</u>	<u>Ratio</u>
5376 Vincent Av	26-B4	370,000	37,093	10
3714 Effie St	35-A4	280,000	27,293	10
1628 Shenandoah	42-D3	319,000	30,558	10
12105 Ranchito	39-A5	333,000	34,610	10
17510 Mission B	7-D1	320,000	33,002	10
12431 Mulhollan	23-B6	1,450,000	139,523	10
235 Walnut Ct	28-B4	175,000	16,841	10
4431 Alpha St	36-F3	173,500	17,624	10
1920 Durango Av	42-D4	505,000	52,664	10
3547 E 2 St	45-C5	115,000	11,223	10
2331 S Cabrillo	78-F5	305,000	30,819	10
859 Wayne St	91-B6	190,000	18,149	10
8622 Wentworth	10-D2	336,000	33,434	10
1508 N Ave 56	26-C6	140,000	13,967	10
436 Los Altos A	38-D2	580,000	56,300	10
1649 Berkeley S	41-C5	360,000	35,523	10
810 N Bedford D	33-A5	2,800,000	311,593	9
222 E Foothill	28-F3	282,000	30,037	9
4942 Highland V	26-B5	178,000	20,104	9
3241 Earlmor Dr	42-B5	720,000	82,349	9
1672 Bunker Av	47-E4	16,000	18,537	9
809 E Foothill	87-C5	26,000	28,467	9
1285 Cresthaven	26-D6	450,000	49,762	9
430 S Wetherly	42-D2	582,000	63,877	9
1308 26 St	41-B5	365,000	40,623	9
1121 N Chicago	45-B2	147,500	15,926	9
333 Sycamore Rd	40-D5	685,000	78,898	9
1116 E Lomita A	25-D4	172,500	19,713	9
15861 Seabec Ci	40-C4	755,000	80,989	9
1111 La Cadena	28-C6	400,000	45,976	9
1755 N Los Robl	20-A6	160,000	17,022	9
800 S Tremaine	43-B2	950,000	103,590	9
1207 E Adams Bl	52-D1	85,000	9,919	9
1041 Somera Rd	32-D4	1,210,000	131,424	9
1218 Stratford	37-A2	463,000	51,855	9
3467 Meier St	49-E2	391,000	42,581	9
208 Violet Av	29-A3	187,000	20,371	9
9625 Holcomb St	42-C3	595,000	68,867	9
703 N Lucia Av	67-D2	385,000	44,932	9
1728 E 68 St	52-E5	83,000	9,136	9
25936 Pennsylv	73-C3	565,000	63,874	9
5843 2 Av	51-D4	182,500	21,283	9
1612 Sunset Pla	33-D3	630,000	70,145	9
853 Hauser Bl	43-A2	408,000	47,935	9
262 Roycroft Av	76-B5	407,000	44,278	9

<u>Address</u>	<u>Grid</u>	<u>Price</u>	<u>Pre-Sale Assessment</u>	<u>Ratio</u>
16783 Edgar St	40-B3	560,000	63,485	9
23400 Collins S	5-F6	350,000	39,443	9
9310 Sawyer St	42-C3	570,000	63,535	9
2111 Mozart St	45-A1	149,000	15,793	9
19310 Bloomfiel	81-C2	200,000	23,042	9
17357 San Ferna	7-E1	285,000	33,043	9
553 W Orange Gr	94-D1	119,000	13,446	9
462 Holland Av	36-B2	159,000	18,015	9
1612 S Stanley	42-F3	265,000	28,732	9
1022 Keniston A	43-B2	309,000	34,215	9
1560 Mathews Av	62-D5	800,000	91,705	9
1653 Smith St	94-C3	232,500	24,681	9
603 N Rexford D	33-B5	2,218,000	247,040	9
823 N Ave 53	36-B1	140,000	16,318	9
1228 Milan Av	37-A2	995,000	113,523	9
224 S Hamilton	42-E1	850,000	93,493	9
5326 El Monte A	38-E3	194,500	21,937	9
5338 Hillmont A	26-C4	240,000	29,515	8
2317 Clark Av	49-C4	298,000	39,445	8
10449 Holman Av	41-F2	950,000	113,915	8
8964 California	59-B2	135,000	17,885	8
11514 Forest Gr	38-E6	222,700	29,644	8
10575 Ayres Av	42-A4	425,000	54,652	8
2572 Nichols Ca	33-F1	500,000	63,353	8
21932 Carlerik	70-A5	189,000	24,677	8
2413 Frey Av	49-C4	331,500	40,749	8
223 La Verne Av	76-B6	328,000	38,660	8
12124 E 214 St	81-B4	275,000	36,492	8
6925 Beechfield	72-C4	523,500	68,450	8
275 Starlane Dr	19-D3	765,000	91,703	8
621 Sierra Dr	33-C5	1,750,000	225,363	8
26214 Eshelman	73-D4	298,000	39,495	8
3748 El Moreno	11-C5	280,000	35,000	8
4925 Biloxi Av	23-F2	367,000	47,151	8
859 Hartzell St	40-D4	515,000	62,310	8
714 N Ave 53	36-B1	170,000	20,988	8
5230 Edna St	36-E5	370,500	46,326	8
822 Crestmoore	49-D4	340,000	41,796	8
2608 Mayfield A	18-E2	230,000	29,447	8
1822 N Garfield	20-A6	125,000	15,793	8
2108 Glenview T	20-D5	675,000	81,644	8
324 E Colorado	29-B4	159,000	20,368	8
2416 W Alhambra	37-A3	252,000	32,258	8
10142 Fern St	47-C2	155,000	19,584	8
426 Randolph St	94-E1	130,000	16,841	8

<u>Address</u>	<u>Grid</u>	<u>Price</u>	<u>Pre-Sale Assessment</u>	<u>Ratio</u>
5126 Angeles Cr	19-B2	329,000	41,032	8
743 E 27 St	44-C6	97,000	12,791	8
219 E 94 St	58-B2	90,000	10,829	8
1120 Holly Av	28-D6	445,000	57,996	8
5168 Ellenwood	25-F4	265,500	32,909	8
1014 S San Mari	27-D6	1,230,000	153,764	8
14112 Attila R	40-E5	1,000,000	118,879	8
3326 E 2 St	45-C5	144,000	17,364	8
595 E Pasadena	94-F2	141,500	18,409	8
521 Meridian Te	36-C1	127,000	15,797	8
4736 La Madera	39-A4	278,000	34,863	8
190 San Miguel	26-D5	880,000	104,767	8
843 Chestnut Av	36-E1	230,000	29,386	8
1050 N Peck Av	62-D4	367,000	47,545	8
9346 Charrick D	11-A5	344,000	45,064	8
220 S Hamilton	42-E1	575,000	68,185	8
2232 Louella Av	49-D3	340,000	43,625	8
302 N Moore Av	46-B1	263,000	33,220	8
9726 Elizabeth	59-B3	137,000	16,189	8
5007 Haskell Av	22-B2	575,000	73,936	8
408 Euclid St	40-F5	865,000	107,645	8
3625 Woolwine D	45-C2	133,000	16,984	8
1942 E 76 St	52-E6	80,500	9,784	8
10710 Walnut Dr	9-F4	449,000	59,668	8
1080 Beverly Wy	20-C5	288,000	35,653	8
9047 Lloyd Pl	33-D5	360,000	47,415	8
619 Baylor St	40-B3	518,000	65,837	8
323 N Curtis Av	37-B4	228,000	30,035	8
319 Medio Dr	41-B3	848,500	100,720	8
2754 Mariquita	75-F6	255,000	32,259	8
660 N Eleanor S	94-F2	115,000	13,965	8
1060 Oakmont Dr	30-F6	1,600,000	211,383	8
2120 Linda Flor	32-C2	947,500	117,835	8
3412 Stockbridg	36-E5	178,000	23,244	8
4745 Halkett Av	37-F4	200,000	25,466	8
158 N Willaman	42-D1	845,000	110,389	8
5246 Stratford	26-B1	227,000	27,030	8
4026 East Bl	50-A2	425,000	55,904	8
2079 W 262 St	73-D3	475,000	57,268	8
525 Hawthorne S	25-B4	208,000	25,959	8
1829 E Californ	27-D5	774,500	96,015	8
721 N Gardner S	34-A5	315,000	39,573	8
127 N Bowling G	41-B2	715,000	86,869	8
8967 David Av	42-D4	295,000	38,268	8



<u>Address</u>	<u>Grid</u>	<u>Price</u>	<u>Pre-Sale Assessment</u>	<u>Ratio</u>
645 30 St	62-C5	448,000	55,512	8
1256 Neola St	26-C5	180,000	23,963	8
129 N Marguerit	37-B4	244,500	30,297	8
1314 El Vago St	19-B1	530,000	68,320	8
1446 E 21 St	44-D6	90,000	11,745	8
4528 W 164 St	62-F4	190,000	24,418	8
1203 Leigh Ct	75-E2	80,000	10,175	8
285 Nieto Av	76-B5	830,000	98,367	8
708 Wildomar St	40-C3	681,000	85,432	8
3537 Redwood Av	49-D2	295,000	38,788	8
3933 Elrovia Av	38-F6	205,000	27,290	8
406 E Fairview	37-E4	205,000	25,727	8
4265 Campbell D	49-F3	280,000	35,912	8
16117 Grevillea	62-F4	178,500	22,195	8
965 Fallen Leaf	28-C3	1,200,000	156,249	8
1525 N Courtney	33-F3	450,000	53,425	8
766 Almar Av	40-C3	645,000	78,115	8
7357 Willoughby	34-A4	210,000	25,464	8
596 Tigertail R	32-B6	1,630,000	214,786	8
4300 Homer St	36-B4	150,000	18,409	8
809 Glenmont Av	41-E1	1,280,000	156,247	8
952 E 22 St	44-C6	95,500	11,876	8
522 California	56-C6	390,000	50,421	8
623 14 St	62-B4	640,000	78,770	8

RESIDENTIAL SALES IN MARINA DEL REY,  
VENICE, AND OCEAN PARK:  
JUNE - DECEMBER, 1989

<u>Address</u>	<u>Grid</u>	<u>Price</u>	<u>Pre-Sale Assessment</u>	<u>Ratio</u>
126 Fraser Av	49-A2	560,000	32,519	17
317 Strand St	49-A2	465,000	28,074	17
914 Nowita Pl	49-D3	302,000	23,505	13
832 Nowita Pl	49-C3	302,000	22,787	13
354 6 Av	49-C3	120,000	10,829	11
441 Sherman Can	49-C4	465,000	41,011	11
570 Rialto Av	49-C4	305,000	28,991	11
2626 Highland A	49-B2	433,000	40,975	11
1933 Euclid St	49-B1	407,000	41,407	10
527 Westminster	49-C3	160,000	16,186	10
1131 Maple St	49-B2	510,000	50,940	10
228 Market St	49-C4	350,000	36,177	10
2325 Beach Av	49-C4	300,000	31,209	10
410 Carroll Can	49-C4	520,000	49,682	10
1808 Marine St	49-C2	522,700	55,906	9
3467 Meier St	49-E2	391,000	42,581	9
624 Boccaccio A	49-D4	265,000	29,121	9
2404 Cloverfiel	49-C1	400,000	52,012	8
4609 McConnell	49-F4	295,000	38,400	8
1024 Pine St	49-B2	385,000	49,894	8
1801 Hill St	49-C1	490,000	64,658	8
2017 Pearl St	49-C1	355,000	44,041	8
12749 Indianapo	49-D1	417,500	55,253	8
1427 Hill St	49-C2	470,000	56,795	8
1711 Glyndon Av	49-D2	332,500	40,750	8
2320 Walnut Av	49-D3	255,000	30,425	8
12651 Woodgreen	49-E2	597,900	72,238	8
2317 Clark Av	49-C4	298,000	39,445	8
2413 Frey Av	49-C4	331,500	40,749	8
822 Crestmoore	49-D4	340,000	41,796	8
2232 Louella Av	49-D3	340,000	43,625	8
3537 RedwoodAv	49-D2	295,000	38,788	8
4265 Campbell D	49-F3	280,000	35,912	8
3903 Frances Av	49-E3	250,000	33,302	8
3556 Inglewood	49-F1	425,000	56,035	8
2603 Cloverfiel	49-C1	400,000	52,353	8
37 26 Av	49-C5	460,000	56,033	8
1423 Ashland Av	49-C2	432,000	54,337	8
13113 Venice Bl	49-E3	205,000	29,774	7
3419 Moore St	49-D2	445,000	64,594	7
12506 Indianapo	49-E1	450,000	63,746	7
11830 Palms Bl	49-F1	375,000	56,429	7

<u>Address</u>	<u>Grid</u>	<u>Price</u>	<u>Pre-Sale Assessment</u>	<u>Ratio</u>
937 Lake St	49-C3	280,000	40,358	7
2207 Glyndon Av	49-D3	285,000	40,226	7
13036 Warren Av	49-D2	455,000	63,876	7
12507 Brooklake	49-E1	365,000	53,946	7
3789 RosewoodA	49-E3	265,000	39,444	7
3461 Grand View	49-E1	900,000	125,020	7
3788 Boise Av	49-E2	320,000	45,327	7
1653 Bryn Mawr	49-C2	530,000	75,706	7
3720 Wasatch Av	49-E2	400,000	59,954	7
1030 Vernon Av	49-C2	399,000	56,687	7
12526 Mitchell	49-F3	225,000	34,610	7
12426 Stanwood	49-E1	489,500	74,327	7
11836 Palms Bl	49-F1	417,500	64,006	7
1204 Maple St	49-B2	445,000	60,032	7
3535 Greenwood	49-E2	295,000	40,878	7

\* \* \*

[EXHIBITS C, D, E, F, and G Omitted in Printing]

\* \* \*

## PROOF OF SERVICE BY MAIL

*State of California*

ss.

*County of Los Angeles*

I, the undersigned, say: I am and was at all times herein mentioned, a citizen of the United States and a resident of the County of Los Angeles, over the age of eighteen (18) years and not a party to the within action or proceeding; that my business address is 11852 Santa Monica Boulevard, Suite 3, Los Angeles, California 90025; that on December 23, 1991, I served the within *Joint Appendix* in said action or proceeding by depositing true copies thereof, enclosed in a sealed envelope with postage thereon fully prepaid, in the United States mail at Los Angeles, California, addressed as follows:

Clerk, United States  
Supreme Court  
One First Street, N.E.  
Washington, D.C. 20543  
(By Express Mail: original  
and forty copies)

De Witt W. Clinton  
David C. Muir  
Albert Ramseyer  
648 Hall of Administration  
500 West Temple Street  
Los Angeles, California 90012  
(Counsel for Respondents)  
  
California Attorney General  
Daniel Lungren  
3580 Wilshire Boulevard  
9th Floor  
Los Angeles, California 90010

I declare under penalty of perjury that the foregoing is true and correct. Executed on December 23, 1991, at Los Angeles, California.

Peter Sandanavicius  
(Original signed)